赣锋锂业

GanfengLithium

Ganfeng Lithium Group Co., Ltd.

江西贛鋒鋰業集團股份有限公司

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

(Stock Code: 1772)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors of the Company is pleased to announce the audited consolidated annual results of the Company and its subsidiaries for the year ended 31 December 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	**2024**	2023
		RMB'000	*RMB'000*
Revenue	3	**18,726,175**	32,812,017
Cost of sales		**(16,599,050)**	(28,268,935)
Gross profit		**2,127,125**	4,543,082
Other income and gains	3	**909,934**	3,059,567
Selling and distribution expenses		**(146,850)**	(111,599)
Administrative expenses		**(1,897,622)**	(2,335,302)
Other expenses	5	**(2,296,891)**	(2,006,111)
Finance costs	6	**(1,090,748)**	(784,312)
Share of profits and losses of:			
Associates		**74,296**	923,757
Joint ventures		**25,056**	2,005,373
(Loss)/profit before tax	4	**(2,295,700)**	5,294,455
Income tax expense	7	**(329,061)**	(683,470)
(LOSS)/PROFIT FOR THE YEAR		**(2,624,761)**	4,610,985
Attributable to:			
Owners of the parent		**(2,068,512)**	4,982,547
Non-controlling interests		**(556,249)**	(371,562)
		(2,624,761)	4,610,985
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic			
– For (loss)/profit for the year		**RMB(1.03)**	RMB2.47
Diluted			
– For (loss)/profit for the year		**RMB(1.03)**	RMB2.47

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
(LOSS)/PROFIT FOR THE YEAR	**(2,624,761)**	4,610,985
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	**2,116**	2,826
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the year	**(26,194)**	–
Income tax effect	**3,929**	–
Exchange differences on translation of foreign operations	**472,606**	528,321
Share of other comprehensive income of associates and joint ventures	**(3,525)**	5,618
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**448,932**	536,765
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(2,175,829)**	5,147,750
Attributable to:		
Owners of the parent	**(1,648,675)**	5,476,431
Non-controlling interests	**(527,154)**	(328,681)
	(2,175,829)	5,147,750

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**35,872,704**	23,689,508
Investment properties		**6,018**	6,626
Right-of-use assets		**1,610,727**	1,258,004
Goodwill		**182,011**	17,615
Other intangible assets		**20,215,779**	16,730,296
Investments in joint ventures		**2,816,762**	2,973,553
Investments in associates		**10,510,023**	10,620,214
Financial assets at fair value through profit or loss		**2,567,746**	5,249,668
Equity investments designated at fair value through other comprehensive income		**50,500**	79,000
Amounts due from related parties		**1,198,644**	301,120
Deferred tax assets		**1,163,054**	820,509
Pledged deposits		**83,733**	70,827
Other non-current assets		**2,551,720**	1,696,563
Total non-current assets		**78,829,421**	63,513,503
CURRENT ASSETS			
Inventories		**8,613,143**	8,263,955
Trade receivables	10	**3,866,380**	4,774,082
Debt investments at fair value through other comprehensive income	11	**859,742**	1,765,677
Amounts due from related parties		**183,639**	340,791
Prepayments, other receivables and other assets		**2,448,131**	3,468,163
Financial assets at fair value through profit or loss		**15,494**	62,982
Derivative financial instruments		**354**	26,383
Pledged deposits		**374,755**	188,633
Cash and cash equivalents		**5,641,238**	9,293,732
Total current assets		**22,002,876**	28,184,398

	Notes	2024 RMB'000	2023 RMB'000
CURRENT LIABILITIES			
Trade and bills payables	12	**8,115,855**	5,169,269
Other payables and accruals		**6,567,889**	4,828,457
Bonds payables		**749,049**	–
Derivative financial instruments		**32,385**	–
Interest-bearing bank and other borrowings		**15,912,431**	9,560,758
Amounts due to related parties		**119,690**	255,554
Income tax payable		**172,618**	457,259
Total current liabilities		**31,669,917**	20,271,297
NET CURRENT (LIABILITIES)/ASSETS		**(9,667,041)**	7,913,101
TOTAL ASSETS LESS CURRENT LIABILITIES		**69,162,380**	71,426,604
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**15,324,781**	15,628,886
Bonds payables		**354,499**	–
Deferred income		**700,270**	534,073
Deferred tax liabilities		**1,243,213**	482,883
Amounts due to related parties		**3,218,747**	2,272,619
Provision		**257,631**	94,934
Other non-current liabilities		**475,342**	97,347
Total non-current liabilities		**21,574,483**	19,110,742
Total liabilities		**53,244,400**	39,382,039
Net assets		**47,587,897**	52,315,862

	2024	2023
	RMB'000	*RMB'000*
EQUITY		
Equity attributable to owners of the parent		
Share capital	**2,017,168**	2,017,168
Treasury shares	**(560,840)**	(350,141)
Reserves	**40,326,060**	45,367,079
	41,782,388	47,034,106
Non-controlling interests	**5,805,509**	5,281,756
Total equity	**47,587,897**	52,315,862

Director

Director

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRSs, which include all standards and interpretations as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except for financial assets at fair value through profit or loss, debt investments at fair value through other comprehensive income, derivative financial instruments and equity investments designated at fair value through other comprehensive income, which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

As at 31 December 2024, the Group's current liabilities exceeded its current assets by RMB9,667,041 thousand. The directors of the Company have considered the Group's continuous available net cash flows from operations, current sources of funds, unutilised banking facilities, and other sources of financing from banks and other financial institutions given the Group's credit history. The directors of the Company believe that the Group has adequate resources to continue operations for the foreseeable future of not less than 12 months from 31 December 2024. Accordingly, the directors of the Company are of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non–current(the "**2020 Amendments**")*
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "**2022 Amendments**")*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

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

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

    The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

1.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRSs, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements* [3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures* [3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments* [2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity* [2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [4]
Amendments to IAS 21	*Lack of Exchangeability* [1]
Annual Improvements to IFRS Accounting Standard – Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7* [2]

1 Effective for annual periods beginning on or after 1 January 2025

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual/reporting periods beginning on or after 1 January 2027

4 No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to

IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRSs. IFRS 18 and the consequential amendments to other IFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 Financial Instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 Statement of Cash Flows: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2. 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 products, and rendering of processing services;

(b) Lithium battery segment: manufacture and sale of lithium batteries, and rendering of Storage at users' end services; and

(c) Lithium ore resource and others segment: exploration and sale of lithium ore, phosphate 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.

Year ended 31 December 2024	Lithium metal and compound *RMB'000*	Lithium battery *RMB'000*	Lithium ore resource and others *RMB'000*	Total *RMB'000*
Segment revenue *(note 3)*:				
Sales to external customers	**12,350,839**	**5,946,203**	**429,133**	**18,726,175**
Intersegment sales	**767,196**	**989**	**1,307,798**	**2,075,983**
	13,118,035	**5,947,192**	**1,736,931**	**20,802,158**
Reconciliation:				
Elimination of intersegment sales				**(2,075,983)**
Revenue				**18,726,175**
Segment results	**(1,351,498)**	**(136,591)**	**(43,061)**	**(1,531,150)**
Reconciliation:				
Interest income				**315,304**
Finance costs (other than interest on lease liabilities)				**(1,079,854)**
Loss before tax				**(2,295,700)**
Segment assets	**37,242,896**	**21,690,384**	**47,559,397**	**106,492,677**
Reconciliation:				
Elimination of intersegment receivables				**(5,660,380)**
Total assets				**100,832,297**
Segment liabilities	**28,623,275**	**14,480,009**	**15,801,496**	**58,904,780**
Reconciliation:				
Elimination of intersegment payables				**(5,660,380)**
Total liabilities				**53,244,400**

Year ended 31 December 2024	Lithium metal and compound *RMB'000*	Lithium battery *RMB'000*	Lithium ore resource and others *RMB'000*	Total *RMB'000*
Other segment information				
Share of profits and losses of:				
Associates	**(61,289)**	**–**	**135,585**	**74,296**
Joint ventures	**146,475**	**–**	**(121,419)**	**25,056**
Impairment losses recognised in the statement of profit or loss, net	**307,507**	**171,461**	**118**	**479,086**
Depreciation and amortisation	**369,628**	**574,078**	**404,217**	**1,347,923**
Investments in associates	**3,130,056**	**–**	**7,379,967**	**10,510,023**
Investments in joint ventures	**11,297**	**–**	**2,805,465**	**2,816,762**
Capital expenditure*	**2,895,543**	**3,273,406**	**11,299,028**	**17,469,977**

* Capital expenditure consists of additions to property, plant and equipment, investment properties and intangible assets.

Year ended 31 December 2023	Lithium metal and compound *RMB'000*	Lithium battery *RMB'000*	Lithium ore resource and others *RMB'000*	Total *RMB'000*
Segment revenue (note 3):				
Sales to external customers	25,101,211	7,710,806	–	32,812,017
Intersegment sales	427,934	1,368	242,461	671,763
	25,529,145	7,712,174	242,461	33,483,780
Reconciliation:				
Elimination of intersegment sales				(671,763)
Revenue				32,812,017
Segment results	2,683,781	53,869	2,972,327	5,709,977
Reconciliation:				
Interest income				366,985
Finance costs (other than interest on lease liabilities)				(782,507)
Profit before tax				5,294,455
Segment assets	32,146,263	18,786,620	46,389,800	97,322,683
Reconciliation:				
Elimination of intersegment receivables				(5,624,782)
Total assets				91,697,901
Segment liabilities	19,328,434	11,565,081	14,113,306	45,006,821
Reconciliation:				
Elimination of intersegment payables				(5,624,782)
Total liabilities				39,382,039

Year ended 31 December 2023	Lithium metal and compound RMB'000	Lithium battery RMB'000	Lithium ore resource and others RMB'000	Total RMB'000
Other segment information				
Share of profits and losses of:				
Associates	(211,555)	–	1,135,312	923,757
Joint ventures	(2,454)	–	2,007,827	2,005,373
Impairment losses recognised in the statement of profit or loss, net	1,155,576	554,211	–	1,709,787
Depreciation and amortisation	335,947	366,219	199,001	901,167
Investments in associates	3,661,871	–	6,958,343	10,620,214
Investments in joint ventures	11,927	–	2,961,626	2,973,553
Capital expenditure	2,580,159	4,365,042	4,245,502	11,190,703

* Capital expenditure consists of additions to property, plant and equipment, investment properties and intangible assets.

Geographical information

(a) Revenue from external customers

	2024 *RMB'000*	2023 *RMB'000*
Chinese Mainland	**14,485,930**	21,831,668
South Korea	**2,551,192**	6,063,114
Europe	**652,199**	3,746,888
Asia other than South Korea	**767,105**	926,217
North America	**96,589**	143,810
Other countries/regions	**173,160**	100,320
Total revenue	**18,726,175**	32,812,017

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2024	2023
	RMB'000	*RMB'000*
Chinese Mainland	**31,965,608**	29,171,427
Argentina	**25,665,253**	21,409,364
Other countries/regions	**13,934,911**	5,142,899
Total non-current assets	**71,565,772**	55,723,690

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue of approximately RMB2,263,497,000 (2023: RMB5,943,005,000) was derived from sales by the lithium metal and compound segment to a single customer, including sales to a group of entities which are known to be under common control with that customer.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**18,725,583**	32,811,805
Revenue from other sources		
Gross rental income from investment property operating leases:	**592**	212
Total revenue	**18,726,175**	32,812,017

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2024

Segments	Lithium metal and compound *RMB'000*	Lithium battery *RMB'000*	Lithium ore resource and others *RMB'000*	Total *RMB'000*
Types of goods or services				
Sale of industrial products	12,243,609	5,917,684	427,512	18,588,805
Processing services	106,638	–	1,621	108,259
Storage at users' end services	–	28,519	–	28,519
Total revenue from contracts with customers	12,350,247	5,946,203	429,133	18,725,583
Geographical markets				
Chinese Mainland	8,737,775	5,421,221	326,342	14,485,338
South Korea	2,550,995	197	–	2,551,192
Europe	613,454	38,745	–	652,199
Asia other than South Korea	345,051	422,054	–	767,105
North America	62,700	33,889	–	96,589
Other countries/regions	40,272	30,097	102,791	173,160
Total revenue from contracts with customers	12,350,247	5,946,203	429,133	18,725,583
Types of products				
Lithium compounds and lithium metals	11,830,760	–	105,300	11,936,060
Lithium batteries	–	5,835,752	–	5,835,752
Others	519,487	110,451	323,833	953,771
Total revenue from contracts with customers	12,350,247	5,946,203	429,133	18,725,583
Timing of revenue recognition				
Revenue recognised at a point in time	12,350,247	5,917,684	429,133	18,697,064
Revenue recognised over time	–	28,519	–	28,519
Total revenue from contracts with customers	12,350,247	5,946,203	429,133	18,725,583

For the year ended 31 December 2023

Segments	Lithium metal and compound *RMB'000*	Lithium battery *RMB'000*	Lithium ore resource and others *RMB'000*	Total *RMB'000*
Types of goods or services				
Sale of industrial products	24,867,565	7,710,806	–	32,578,371
Processing services	233,434	–	–	233,434
Total revenue from contracts with customers	25,100,999	7,710,806	–	32,811,805
Geographical markets				
Chinese Mainland	14,487,806	7,343,650	–	21,831,456
South Korea	6,062,929	185	–	6,063,114
Asia other than South Korea	3,686,080	60,808	–	3,746,888
Europe	731,494	194,723	–	926,217
North America	67,645	76,165	–	143,810
Other countries/regions	65,045	35,275	–	100,320
Total revenue from contracts with customers	25,100,999	7,710,806	–	32,811,805
Types of products				
Lithium compounds and lithium metals	24,372,410	–	–	24,372,410
Lithium batteries	–	7,640,821	–	7,640,821
Others	728,589	69,985	–	798,574
Total revenue from contracts with customers	25,100,999	7,710,806	–	32,811,805
Timing of revenue recognition				
Revenue recognised at a point in time	25,100,999	7,710,806	–	32,811,805

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2024

Segments	**Lithium metal and compound** *RMB'000*	**Lithium battery** *RMB'000*	**Lithium ore resource and others** *RMB'000*	**Total** *RMB'000*
Revenue from contracts with customers				
External customers	**12,350,247**	**5,946,203**	**429,133**	**18,725,583**
Intersegment sales	**767,196**	**989**	**1,307,798**	**2,075,983**
Subtotal	**13,117,443**	**5,947,192**	**1,736,931**	**20,801,566**
Intersegment adjustments and eliminations	**(767,196)**	**(989)**	**(1,307,798)**	**(2,075,983)**
Total revenue from contracts with customers	**12,350,247**	**5,946,203**	**429,133**	**18,725,583**

For the year ended 31 December 2023

Segments	Lithium metal and compound *RMB'000*	Lithium battery *RMB'000*	Lithium ore resource and others *RMB'000*	Total *RMB'000*
Revenue from contracts with customers				
External customers	25,100,999	7,710,806	–	32,811,805
Intersegment sales	427,934	1,368	242,461	671,763
Subtotal	25,528,933	7,712,174	242,461	33,483,568
Intersegment adjustments and eliminations	(427,934)	(1,368)	(242,461)	(671,763)
Total revenue from contracts with customers	25,100,999	7,710,806	–	32,811,805

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of industrial products	**235,723**	446,070

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of industrial products

The performance obligation is satisfied upon delivery of the industrial products and payment is generally due within 30 to 180 days from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with a right of return which gives rise to variable consideration subject to constraint.

Rendering processing services

The performance obligation is satisfied upon the completion of the processing services and short-term advances are normally required before rendering the services. Processing service contracts are for periods within one year, and the Group does not adjust any of the transaction prices for the time value of money.

Storage at users' end services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion of the services and customer acceptance.

(c) Other income and gains

	2024	2023
	RMB'000	*RMB'000*
Other income		
Government grants	**438,596**	1,536,247
Sales of raw materials	**112,974**	116,487
Bank interest income	**239,122**	312,707
Interest income from other non-current assets	**40,083**	46,767
Interest income from associates and a joint venture	**36,099**	7,511
Dividends and interest income from financial assets at fair value through profit or loss	**589**	209,713
Others	**34,143**	21,474
Total other income	**901,606**	2,250,906
Gains		
Fair value gains, net:		
Financial assets at fair value through profit or loss	**–**	576,005
Gain on disposal of investments in associates	**4,931**	180,156
Gain on remeasurement of previously held interests in step acquisition of a subsidiary	**3,397**	–
Compensation for long-term prepayment	**–**	52,500
Total gains	**8,328**	808,661
Total other income and gains	**909,934**	3,059,567

4. PROFIT BEFORE TAX

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

	2024 *RMB'000*	2023 *RMB'000*
Cost of inventories sold	**16,517,461**	28,115,914
Cost of providing processing services and other services	**81,589**	87,181
Cost of raw materials sold	**92,777**	86,893
Depreciation of property, plant and equipment	**1,134,438**	846,265
Depreciation of right-of-use assets	**62,898**	41,460
Amortisation of intangible assets	**150,587**	13,442
Depreciation of investment properties	**673**	379
Research and development		
Current year expenditure	**910,700**	1,250,990
Lease payments not included in the measurement of lease liabilities	**30,367**	22,109
Auditor's remuneration	**5,400**	5,000
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	**1,472,501**	1,252,915
Pension scheme contributions	**346,770**	279,421
Equity-settled share-based expense	**36,889**	218,232
Total	**1,856,160**	1,750,568
Foreign exchange differences, net	**53,234**	117,580
Impairment of financial assets, net:		
Impairment of trade receivables, net	**56,204**	70,324
Impairment of investment in an associate	**83,564**	–
Impairment of property, plant and equipment	**–**	3,072
Write-down of inventories to net realisable value	**339,318**	1,636,391
Fair value losses/(gains), net:		
Fair value losses/(gains) on financial assets at fair value through profit or loss and derivative financial instruments	**1,482,414**	(576,005)
Bank interest income	**(239,122)**	(312,707)
Net loss on disposal of items of property, plant and equipment	**10,339**	5,891

5. OTHER EXPENSES

The detailed breakdown of other expenses is as follows:

	2024	2023
	RMB'000	*RMB'000*
Cost of raw materials sold	**92,777**	86,893
Impairment of trade receivables, net	**56,204**	70,324
Net loss on disposal of items of property, plant and equipment	**10,339**	5,891
Impairment of property, plant and equipment	**–**	3,072
Impairment of investment in an associate	**83,564**	–
Write-down of inventories to net realisable value	**339,318**	1,636,391
Loss on disposal of subsidiaries	**–**	2,841
Loss on disposal of financial assets	**6,844**	1,385
Exploration expenditure	**163,697**	68,181
Foreign exchange differences, net	**53,234**	117,580
Fair value losses on financial assets at fair value through profit or loss and derivative financial instruments	**1,482,414**	–
Others	**8,500**	13,553
Total	**2,296,891**	2,006,111

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on bank loans	**775,590**	563,572
Interest on other borrowings	**343,424**	263,012
Interest on lease liabilities	**10,894**	1,805
Interest on discounted bank notes	**34,694**	18,517
Interest expense on bond payables	**4,780**	–
Total interest expense on financial liabilities not at fair value through profit or loss	**1,169,382**	846,906
Interest capitalised	**(78,634)**	(62,594)
Total	**1,090,748**	784,312

7. INCOME TAX

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.

	2024	2023
	RMB'000	*RMB'000*
Current corporate income tax	**31,790**	501,634
Deferred tax	**297,271**	181,836
Total	**329,061**	683,470

The provision for Chinese Mainland current income tax was based on the statutory rate of 25% of the assessable profits for the reporting period 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 Reporting Period, which were taxed at a preferential rate of 15%. Overseas subsidiaries of the Group accrued and paid the corporate income tax in accordance with local tax regulations.

The Company has been recognised as a High and New Technology Enterprise ("**HNTE**"), and such status will expire on 27 October 2027. 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. Certain subsidiaries are also recognised as HNTEs and the effective periods are as follows:

Name	**Effective period**
Fengxin Ganfeng Lithium Co., Ltd.	2022/11/4-2025/11/3
Xinyu Ganfeng Lithium Co., Ltd.	2022/12/14-2025/12/13
Ganfeng LiEnergy (Dongguan) Technology Co., Ltd.	2022/12/22-2025/12/21
Guangdong Huichuang New Energy Co., Ltd.	2022/12/22-2025/12/21
Xinyu Ganfeng Electronics Co., Ltd.	2023/12/8-2026/12/7
Zhejiang FunLithium New Energy Technology Co., Ltd.	2023/12/8-2026/12/7
Jiangsu Ganfeng Power Technology Co., Ltd.	2023/12/13-2026/12/12
Jiangxi Ganfeng Recycling Technology Co., Ltd.	2024/10/28-2027/10/27
Yunnan Hongfu Fertilizer Co. Ltd.	2024/11/1-2027/10/31
HuiZhou GanFeng LiEnergy Battery Technology Co., Ltd.	2024/11/19-2027/11/18
Fengcheng Ganfeng Lithium Co., Ltd.	2024/11/19-2027/11/18
Yichun Ganfeng Lithium Co., Ltd.	2024/10/28-2027/10/27
Ganfeng LiEnergy Technology Co., Ltd.	2024/10/28-2027/10/27

Also, according to the tax regulations related to the Western Region Development Policy, the applicable income tax rate for Ningdu Ganfeng Lithium Co., Ltd., Western Resource Co., Ltd., Sichuan Ganfeng Lithium Industry Co., Ltd., Qinghai Ganfeng Lithium Industry Co., Ltd., Ganzhou Ganfeng Renewable Resources Co., Ltd., Qinghai China Aviation Resources Co., Ltd. and Xianghuang Banner Meng Gold Mine Industry Development Co., Ltd. is 15%, and such tax concession will expire on 31 December 2030.

A reconciliation of the tax expense applicable to profit before tax at the applicable rate for the jurisdiction in which the operations of the Group are substantially based to the tax expense at the effective tax rate is as follows:

	2024	2023
	RMB'000	*RMB'000*
(LOSS)/PROFIT BEFORE TAX	**(2,295,700)**	5,294,455
Tax at the applicable tax rate (15%)	**(344,355)**	794,168
Effect of different tax rates for specific provinces or enacted by local authority	**(82,253)**	40,428
Expenses not deductible for tax	**180,407**	35,822
Income not subject to tax	**(22,329)**	(111,907)
Profits or losses attributable to joint ventures and associates	**3,060**	(535,976)
Tax losses and temporary differences not recognised	**57,071**	31,499
Tax losses utilised and temporary difference recognised	**(756)**	(16,745)
Adjustments in respect of current tax of previous periods	**(9,395)**	(1,447)
Effect of additional tax deduction for research and development expenditure	**(103,287)**	(145,013)
Exchange rate and inflation adjustment for overseas subsidiaries*	**650,898**	592,641
Tax charge at the effective rate	**329,061**	683,470

* The exchange rate and inflation adjustment for overseas subsidiaries impact mainly relates to the subsidiaries in Argentina which experienced hyperinflation as well as the significant devaluation of the exchange rate of the Argentina peso against the US dollar in 2024.

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted and in effect as at 31 December 2024 in certain jurisdictions in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group should benefit from the transitional safe harbour for all jurisdictions in which the Group operates for year 2024. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

8. DIVIDENDS

	2024	2023
	RMB'000	*RMB'000*
Proposed final – RMB0.15 (2023: RMB0.80) per ordinary share	**302,575**	1,613,734

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. (LOSS)/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 year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,004,768,649 (2023: 2,013,574,745) outstanding during the year, as adjusted to reflect the rights issue during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, 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:

	2024	2023
	RMB'000	*RMB'000*
Earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:		
From continuing operations	**(2,068,512)**	4,982,547
(Loss)/profit attributable to ordinary equity holders of the parent	**(2,068,512)**	4,982,547
Attributable to:		
Continuing operations	**(2,068,512)**	4,982,547

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares for the calculation of basic earnings per share calculation	**2,004,768,649**	2,013,574,745
Effect of dilution – weighted average number of ordinary shares:		
– Share option scheme	**–**	–
Total	**2,004,768,649**	2,013,574,745

10. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**4,069,927**	4,922,942
Impairment	**(203,547)**	(148,860)
Total	**3,866,380**	4,774,082

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month to six months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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:

	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**3,645,752**	4,630,819
More than 6 months but less than 1 year	**137,785**	80,753
1 to 2 years	**54,324**	56,315
2 to 3 years	**24,994**	2,880
Over 3 years	**3,525**	3,315
Total	**3,866,380**	4,774,082

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**148,860**	99,435
Impairment losses, net (note 4)	**56,204**	70,324
Amount written off as uncollectible	**(1,517)**	(20,899)
At end of year	**203,547**	148,860

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for various customers with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

		Past due				
	Current	**Less than one year**	**One year to two years**	**Over two years**	**Assessed individually**	**Total**
Expected credit loss rate *(%)*	**0.28**	**14.31**	**38.21**	**97.29**	**89.97**	**–**
Gross carrying amount *(RMB'000)*	**3,336,371**	**586,377**	**47,866**	**45,858**	**53,455**	**4,069,927**
Expected credit losses *(RMB'000)*	**9,219**	**83,906**	**18,248**	**44,615**	**47,559**	**203,547**

As at 31 December 2023

		Past due				
	Current	Less than one year	One year to two years	Over two years	Assessed individually	Total
Expected credit loss rate *(%)*	0.18	4.35	22.90	100.00	81.13	
Gross carrying amount *(RMB'000)*	3,366,698	1,439,348	36,342	35,159	45,395	4,922,942
Expected credit losses *(RMB'000)*	5,973	62,576	8,322	35,159	36,830	148,860

11. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024	2023
	RMB'000	*RMB'000*
Debt investments at fair value through other comprehensive income:		
Bills receivable	**859,742**	1,765,677

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

As at 31 December 2024, the Group's debt investments at fair value through other comprehensive income with a carrying amount of RMB112,633,000(2023: RMB290,262,000) were pledged to issue banks' acceptance bills and letters of credit.

12. TRADE AND BILLS PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**4,685,064**	2,484,351
Bills payable	**3,430,791**	2,684,918
Total	**8,115,855**	5,169,269

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

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**3,361,928**	1,699,140
3 to 6 months	**1,010,208**	584,847
6 to 12 months	**187,142**	128,928
1 to 2 years	**68,450**	66,045
2 to 3 years	**57,336**	5,391
Total	**4,685,064**	2,484,351

The trade payables are non-interest-bearing and are normally settled on terms within 0 to 360 days.

13. CONTINGENT LIABILITIES

In 2023, General Directorate of Mines of Mexico ("**DGM**") initiated a review of nine lithium mine concessions held by three controlled subsidiaries of the Company registered in Mexico ("**Mexican Subsidiaries**"). According to DGM, if the Mexican Subsidiaries fail to submit on time sufficient evidence within the specified time limit to prove that they have fulfilled the minimum investment obligation of lithium mine concession development from 2017 to 2021, they shall face the risk of the above-mentioned lithium mine concessions being cancelled. The Mexican Subsidiaries have submitted a large amount of evidence in time to prove that they have fulfilled the minimum investment obligation of the above-mentioned lithium mine concessions. However, in August 2023, DGM issued a notice to the Mexican Subsidiaries to duly cancel the above nine lithium mine concessions. The land use rights related to above nine lithium mine concessions have not been affected and still owned by the Mexican Subsidiaries.

The Company believes that, according to the requirements of Mexican law, the Mexican Subsidiaries have fulfilled their minimum investment obligation and the investment in mine development of Mexican Subsidiaries was far greater than the minimum investment obligation stipulated by Mexican laws. The Mexican Subsidiaries had regularly submitted their annual reports for the period from 2017 to 2021 to DGM every year within the prescribed time limit, detailing the operation situation, and the Mexican government had not raise any objection until 2023 when the Mexican government informed the Mexican Subsidiaries of the cancellation of the lithium mine concessions with the claim that the Mexican Subsidiaries did not meet the minimum investment obligation. The Company believes that these resolutions to cancel the concessions violate both Mexican law and international law as they are arbitrary without factual and legal basis, and violate the basic rights of the Company and its subsidiaries. Therefore, the Company engaged the lawyers to file administrative review recourses with the Secretary of Economy of Mexico (the "**SEC**") against the aforementioned resolutions.

In November 2023, the SEC made a decision to uphold the cancellation of the lithium mine concessions by DGM. In January 2024, the Mexican Subsidiaries filed the annulment claims with the Mexico's Federal Court of Administrative Justice ("**TFJA**") against the cancellation of nine lithium mine concessions.

In May 2024, the Company filed a request for international arbitration before the International Centre for Settlement of Investment Disputes ("**ICSID**") in respect of the aforesaid matter. In June 2024, the Company received an email from ICSID confirming that the arbitration has been officially registered.

As of the approval date of these financial statements, the above-mentioned annulment claims and arbitration are still in progress. Based on the status of the above litigation and arbitration, the Company's legal counsels are of the opinion that the aforesaid arguments raised by the Company could allow them to prevail before a neutral court, and it is more likely than not that the Company will prevail in the arbitration. However, the legal counsels are unable to predict the outcome of the annulment claims and arbitration. As there are still many uncertainties in the trial of the annulment claims and arbitration, the Company is unable to reliably estimate the possible outcome and impact of the proceedings. Therefore, as at 31 December 2024, with reference to the relevant provisions of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Company does not make any provision for the pending legal cases.

14. EVENTS AFTER THE REPORTING PERIOD

(1) At the meeting of the board of directors of the Company held on 28 March 2025, the Profit Distribution Plan for the Year of 2024 was proposed to distribute the cash dividend of RMB1.5 (tax inclusive) for every 10 shares with undistributed profits to all shareholders based on the number of shares they hold on the record date determined by the implementation of annual profit distribution.

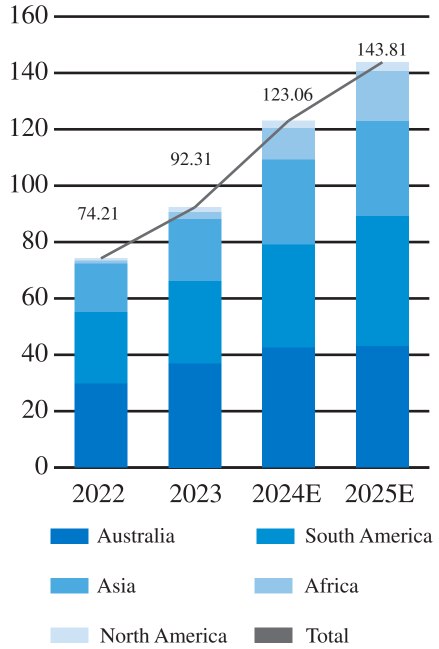
MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

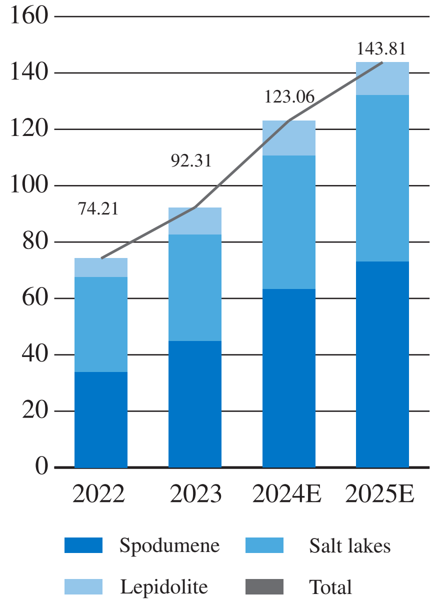
1. Analysis of lithium resource market

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 Australia. In recent years, stimulated by demand in the end-user market, there has been an increased investment and development in lithium resources, leading to a diversification of supply. According to the data from Yangtze Securities Research Institute, the global supply of lithium resource is expected to reach 1,230,600 tons of LCE in 2024, representing a year-on-year increase of 33.3%, among which 632,000 tons of LCE, 475,000 tons of LCE and 124,000 tons of LCE are sourced from spodumene, salt lakes and lepidolite, accounting for 51%, 39% and 10%, respectively; in terms of regions, Australia, South America and Asia supplied 425,000 tons of LCE, 367,000 tons of LCE and 301,000 tons of LCE, respectively, totally accounting for 89% aggregately, with an estimated supply of 110,000 tons of LCE from Africa. In 2025, the global supply of lithium resource is expected to reach 1,438,100 tons of LCE, representing a year-on-year increase of 16.9%, of which 730,000 tons of LCE, 591,000 tons of LCE and 118,000 tons of LCE are sourced from spodumene, salt lakes and lepidolite, accounting for 51%, 41% and 8%, respectively. The proportion from salt lakes is expected to increase, while the proportion from lepidolite is expected to decrease. Due to the high cost of extracting lithium from lepidolite, if the price of lithium carbonate remains at a low level, its proportion will further decline in 2025. In terms of regions, Australia, South America, Asia and Africa will supply 430,000 tons of LCE, 462,000 tons of LCE, 337,000 tons of LCE and 178,000 tons of LCE, respectively. In terms of structure, there will be an increase in the proportion of South America and Africa, while the proportion of Australia and Asia will decline slightly.

Global supply of lithium resource by regions (unit: 0'000 tons of LCE)



Global supply of lithium resource by sources (unit: 0'000 tons of LCE)



Source: Yangtze Securities Research Institute

(1) Market of spodumene concentrate

Australia is one of the world's largest producers of lithium ore, with a well-developed mining industry, comprehensive laws and regulations, and good infrastructure. According to the data from Fastmarkets, as of December 2024, the domestic CIF price of 5%–6% spodumene concentrate was around USD840–880 per ton, representing a slight decrease from the price of USD900–1,000 per ton at the beginning of 2024. In Australia, being an important source of global lithium resources, the supply of lithium ore from major producers is relatively stable, the expansion and resumption of production of some lithium mining projects and the gradual release of capacity of new lithium mining projects in 2024 are all incremental to the supply of lithium pyroxene. However, at the same time, the official shutdown of some mines, such as Finniss, and the downward adjustment of Mt Cattlin's sales forecast have also affected the supply side of lithium pyroxene in Australia to a certain extent, and it is expected that the supply of lithium pyroxene in Australia in 2025 is still uncertain. Lithium resources in the African continent are primarily distributed across countries such as Congo (Kinshasa), Mali and Zimbabwe, a significant portion of existing production capacity is concentrated in the hands of small and medium-sized miners. It is different from the lithium market in Australia, which is dominated by large miners. Although the absolute amount of lithium resources is not as large as that of Australia, there are world-class lithium mining projects in Africa, which has abundant resources of spodumene and petalite, with high ore grades. Nevertheless, the development of the African lithium market still faces some challenges. As lithium mining projects in Africa are scattered in many different countries, and due to the influence of geopolitical uncertainties, complex geological structures and lagging development of supporting infrastructure, the level of exploration of lithium resources is relatively low and the overall development progress is slow. However, these challenges have not prevented African lithium resources from entering the global market, but rather have prompted relevant enterprises to seek innovations and breakthroughs in development. The incremental capacity of spodumene projects in Africa in 2024 will mainly come from the ramp-up capacity from mines that have been or are to be put into operation. The first phase of the Company's Goulamina spodumene project has officially commenced production, and efforts are being actively accelerated to ramp up the capacity of such project. Currently, the African lithium market is gradually becoming an important part of the global lithium resources supply. With the continuous growth of global demand for lithium resources and the further release of lithium production capacity in Africa, African lithium mines are expected to play a more important role in the global lithium resources market.

(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 the world. Salt lake brine is the type of lithium ore with the lowest lithium extraction costs worldwide. However, due to differences in natural environments and lithium extraction methods, the construction cycle of salt lakes is longer than that of mines. The salt lake resources in South America are abundant and of high quality but difficult to develop, and are limited by various factors such as environmental assessment and approval, high altitude, shortage of freshwater resources and supporting infrastructure, requiring large-scale capital expenditure, mature technology and project team support. The projects in Argentina are mostly led by large companies with strong capital and efficient execution and have contributed to supply growth in 2024. The Company's Cauchari-Olaroz Salt Lake Project is already in the process of ramping up to a steady production capacity, and it is expected that battery-grade products will be gradually produced with subsequent ramp-up of production capacity and optimization of production line. The first phase of the Company's Mariana project has also officially commenced production in early 2025, and it is expected to provide a certain degree of incremental to the supply of global lithium resource in 2025 with subsequent gradual ramp-up of production capacity.

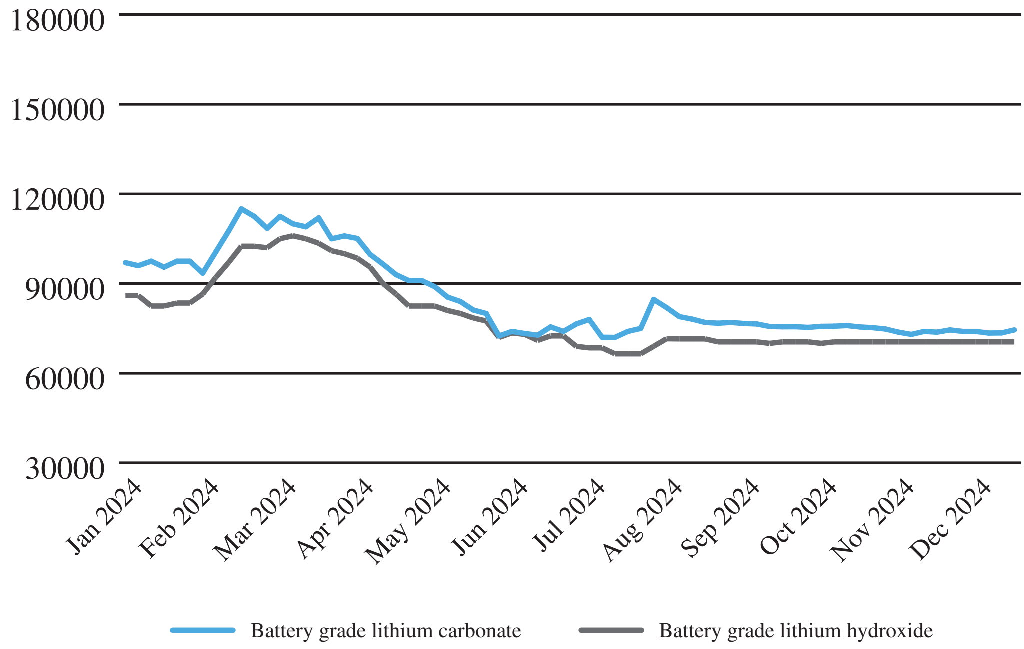
(3) Market of lepidolite

China has the world's largest proven lepidolite mine, with a significant number of lithium resource projects in Jiangxi. Compared with extracting lithium from spodumene concentrate, extracting lithium from lepidolite has certain advantages in terms of resource self-sufficiency and transportation cost. Due to the complex composition of lepidolite, more impurities in the extraction process, and difficulties in continuous production, the mining and extracting costs of lepidolite are relatively high compared to spodumene concentrate and salt lake. In recent years, the lithium extraction technology from lepidolite in the PRC 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.

2. Analysis of the lithium compound market

In recent years, prices of major lithium compounds have been fluctuating to a larger extent in the Chinese market. In the first half of 2024, influenced by overseas enterprises cutting capital expenditures and reducing production, as well as favorable policies for domestic new energy vehicles, domestic enterprises maintained a relatively optimistic expectations on lithium prices. Coupled with expectations of demand recovery after the Spring Festival, downstream enterprises procured raw materials in advance to ensure production, driving a slight increase in lithium prices after continuous fluctuations. Subsequently, due to persistently high level of the industry's inventory and weaker-than-expected demand, the imbalance between supply and demand, along with the high pressure from accumulated inventory, lithium prices lacked upward momentum and began to fall continuously. In the fourth quarter, demand for lithium compound market exceeded expectations during the off-season, with stable orders from downstream sectors such as new energy vehicles and energy storage, extending the peak season trend and triggering a temporary rebound in lithium compound prices. However, the market's judgment on the overall supply and demand was not optimistic, and the lithium price not sustained its upward trend and remained in a fixed price range with continuous fluctuation after falling back. Specific movements are shown in the following graph:

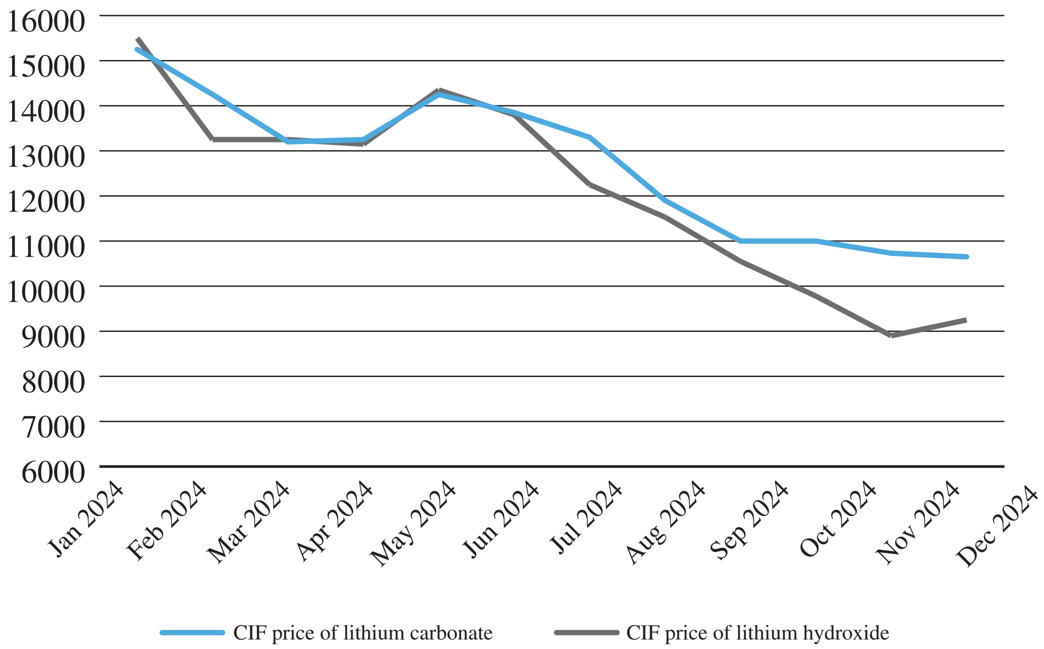
Spot prices of lithium carbonate and lithium hydroxide in China (Unit: RMB per ton)



Source: Fastmarkets

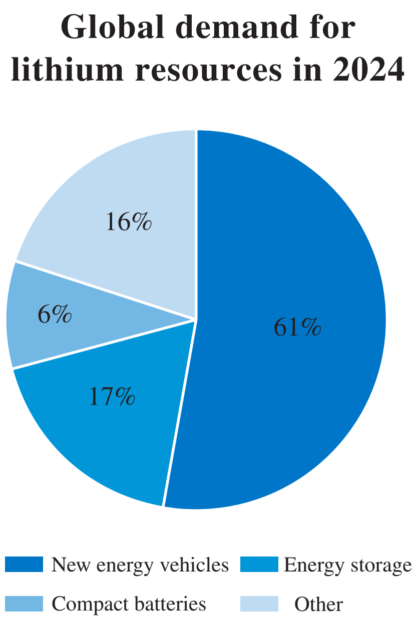
Meanwhile, the price fluctuations of major lithium compounds in the international market were shown in the following graph:

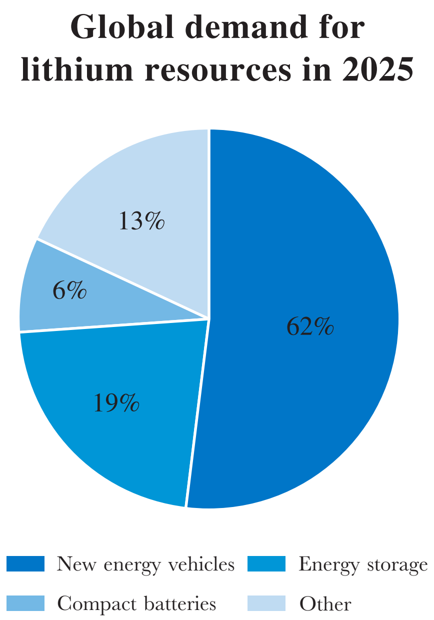
CIF prices of lithium carbonate and lithium hydroxide in Asia (Unit: USD per ton)



Source: Fastmarkets

The demand for the global lithium industry is primarily influenced by the demand for new energy vehicles and energy storage. In recent years, the rapid development of new energy vehicles and energy storage system industries has led to diverse and abundant lithium application scenarios. Although the growth of demand for the new energy vehicle industry has slowed down as compared to previous years, its large base still makes it a major driver of demand growth. While energy storage currently accounts for a limited proportion of the total demand, it is expected to gradually increase its demand for lithium compounds in the future. Under the influence of the wave of global energy revolution, governments have introduced policy measures to encourage the development of new energy, such as financial subsidies, tax incentives, etc., in order to reduce investment costs and improve project economics and market competitiveness. At the same time, the continuous innovation and breakthroughs in new energy technologies, as well as declining production costs, have contributed to making new energy more competitive in the market. With the global emphasis on environmental protection and sustainable development, the world's major economies have set carbon neutral targets and promoted the development of new energy to address climate change, and new energy vehicles, energy storage technology and other new energy market demand continues to grow. The Company, as a leading enterprise in the lithium compound deep-processing business, capitalizing on its first-mover advantages, will continue to enhance its competitiveness to further cement and improve its industrial position. According to the statistics of the China Non-Ferrous Metals Industry Association, Lithium Branch (中國有色金屬工業協會鋰業分會), the basic lithium salt in China increased by over 30% year-on-year, with the following outputs: lithium carbonate was 701,000 tons, representing a year-on-year increase of 35.4%; lithium hydroxide was 414,000 tons, representing a year-on-year increase of 29.5%; and lithium chloride was 24,000 tons, representing a year-on-year increase of 37.1% in 2024. According to the data from Yangtze Securities Research Institute, the global demand for lithium resources is expected to reach 1,190,000 tons of LCE in 2024, among which demand from new energy vehicles account for 61%, and demand from energy storage is expected to account for 17%; the global demand for lithium resources in 2025 will be 1,450,000 tons of LCE, of which demand from new energy vehicles is expected to rise to 62%, and demand from energy storage is expected to rise to 19%.





Source: announcements from companies,
Yangtze Securities Research Institute

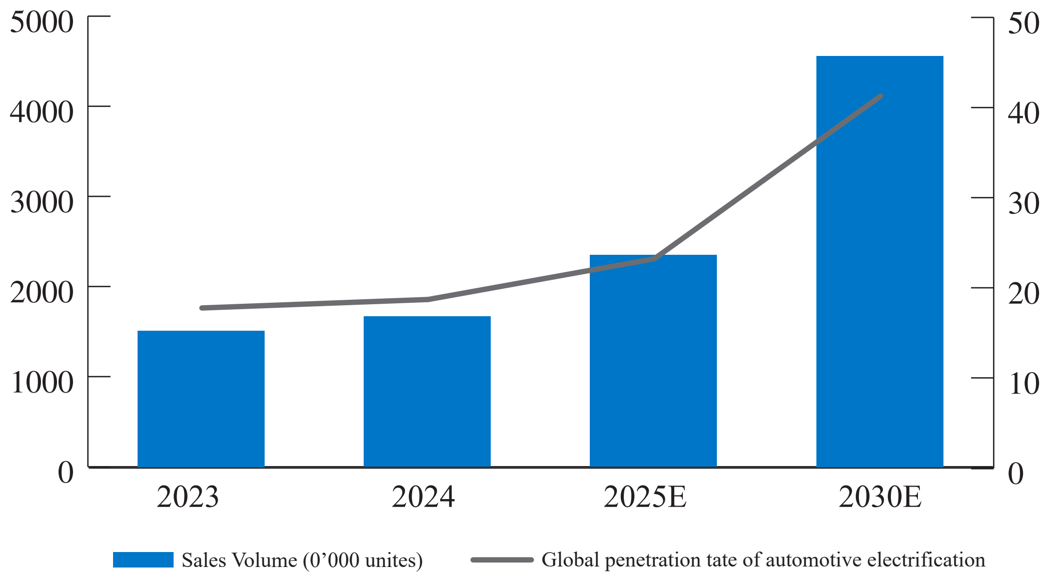
3. Analysis of the lithium battery market

In 2024, the rapid development of the new energy vehicle industry drove the rapid growth of the production and sales for motive power batteries in China. According to China Automotive Battery Innovation Alliance, in 2024, the cumulative output of motive power batteries and other batteries in China amounted to 1,096.8GWh, representing a year-on-year increase of 41.0%. In 2024, the cumulative sales of motive power batteries and other batteries in China amounted to 1,039.5GWh, representing a year-on-year increase of 42.4%. Of which the sales of motive power batteries amounted to 791.3GWh, accounting for 76.1% of the total sales, representing a year-on-year increase of 28.4%; the cumulative sales of other batteries amounted to 248.2GWh, accounting for 23.9% of the total sales, representing a year-on-year increase of 118.8%. In terms of installed capacity, in 2024, the cumulative installed capacity of motive power batteries in China was 548.4GWh, representing a year-on-year increase of 41.5%. Of which the cumulative installed capacity of ternary batteries was 139.0GWh, accounting for 25.3% of the total installed capacity, representing a year-on-year increase of 10.2%; the cumulative installed capacity of lithium iron phosphate batteries was 409.0GWh, accounting for 74.6% of the total installed capacity, representing a year-on-year increase of 56.7%. According to the data from Gaogong Industry Research Institute (GGII), in 2024, the global installed capacity of motive power batteries was approximately 840.6GWh, representing a year-on-year increase of 19%. Of which the global installed capacity of lithium iron phosphate power batteries was 422.7GWh, representing a year-on-year increase of 45.6%, with the market share reaching 50.3%, exceeding the share of ternary power battery. From January to December, the cumulative installed capacity of the top ten enterprises in global power battery was approximately 757.2GWh, accounting for 90% of the global power battery installation capacity.

4. *Analysis of the electric vehicle market*

According to the data from Gaogong Industry Research Institute (GGII), the global sales volume of new energy vehicles is expected to increase by 21% in 2024, reaching 16.675 million units, with a penetration rate of 18.7%. The global new energy vehicle industry as a whole is maintaining a high growth rate, but the growth has slowed down as from last year. Automobile manufacturers are accelerating the process of regional localization, introducing new energy vehicle models that cater to market preferences, and promoting product sales through the accelerated deployment of charging infrastructure and the creation of smart ecosystems. However, the overall weak cost-effectiveness of new energy vehicle products, subsidy reductions and other challenges still remain. With the support of government policy, the technological progress in the industry, the improvement of supporting facilities, and the increase of market recognition, the sales volume of new energy vehicles is expected to maintain a positive development trend.

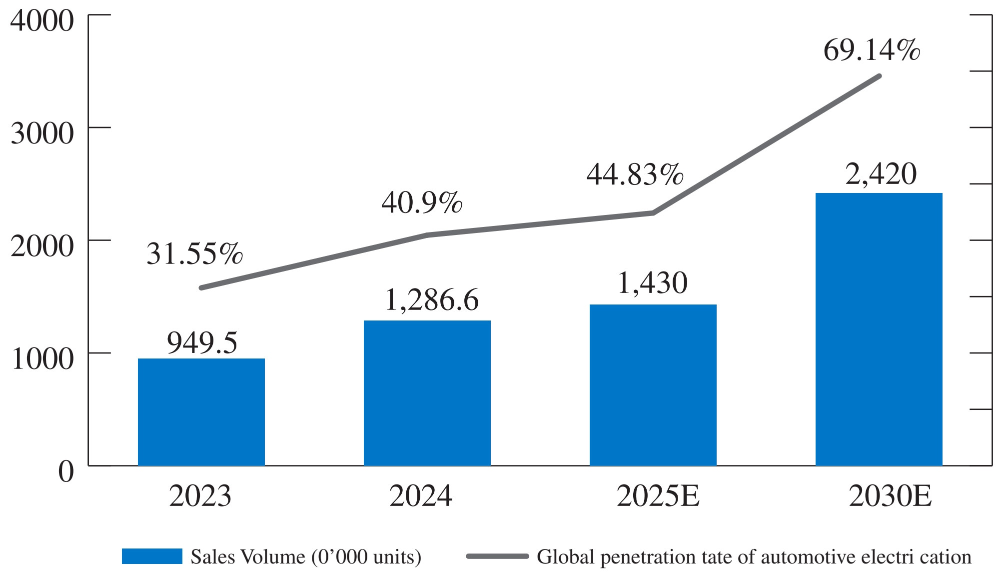
Global sales volume of new energy vehicles



Source: Gaogong Industry Research Institute (GGII)

According to the statistical analysis of the China Association of Automobile Manufacturers, driven by multiple factors such as favorable policies, abundant supply, price reduction and continuous improvement in infrastructure, China's new energy vehicles continued to experience rapid growth in 2024. The production and sales volume of new energy vehicles were 12.888 million and 12.866 million units, respectively, representing a year-on-year increase of 34.4% and 35.5%. Sales of new energy vehicles accounted for 40.9% of the total sales volume of new vehicles. In addition, according to the latest data from the Ministry of Public Security, by the end of 2024, the ownership volume of new energy vehicles in China reached 31.4 million, accounting for 8.90% of the total number of automobiles. Among them, in 2024, the new energy vehicles newly registered were 11.25 million units, accounting for 41.83% of the number of newly registered vehicles, representing an increase of 3.82 million units or a growth rate of 51.49% as compared to 2023, which has shown a high-speed growth trend, increasing from 1.2 million units in 2019 to 11.25 million units in 2024.

Sales volume of new energy vehicles in China



Source: China Association of Automobile Manufacturers, Gaogong Industry Research Institute (GGII)

During the Reporting Period, the important domestic policies relating to the new energy industry are as follows:

Issuing authority	Issuing time	Industrial policy	Descriptions
General Office of the State Council	February 2024	Opinions of the General Office of the State Council on Accelerating the Construction of a Waste Recycling System (Guo Ban Fa [2024] No. 7) (《國務院辦公廳關於加快構建廢棄物循環利用體系的意見(國辦發〔2024〕7號)》)	Promote the cascade utilization and standardized recycling of waste motive power batteries, improve traceability management and certification standards, and indirectly support the sustainable development of the energy storage industry.
The Ministry of Commerce, the National Development and Reform Commission, General Administration of Customs, and other 6 departments	February 2024	Opinions on Supporting the Healthy Development of New Energy Vehicle Trade Cooperation (《關於支持新能源汽車貿易合作健康發展的意見》)	Guide and promote the healthy development of new energy vehicle trade cooperation. Industry experts indicated that the new policy will not only boost the export of China's automobiles, especially new energy vehicles, but also promote the upgrading and development of the automotive industry, driving the manufacturing sector more high-end, intelligent, and green.

Issuing authority	Issuing time	Industrial policy	Descriptions
China Banking and Insurance Regulatory Commission	April 2024	Guiding Opinions on Promoting the High-Quality Development of Green Insurance (《關於推動綠色保險高質量發展的指導意見》)	1) Support green and low-carbon public actions: Actively provide insurance for new energy vehicles, electric bicycles, shared bicycles, etc., and promote green and low-carbon travel. Boost the development of green consumption, and provide risk protection support for green and low-carbon products. Explore the development of carbon-related data insurance to enrich insurance service scenarios and models. 2) Facilitate the green and low-carbon development of transportation: Focus on the development of new energy vehicles, intelligent connected vehicles, rail transit, and other fields, providing insurance for R&D, manufacturing, and application. Offer tailored insurance solutions for low-altitude economy, multimodal transport, and green distribution.

Issuing authority	Issuing time	Industrial policy	Descriptions
			3) Promote the green and low-carbon transformation of energy: Provide full lifecycle insurance for the production, construction, and operation of solar, wind, hydro, and nuclear energy industries. Explore and promote insurance innovations in new energy sectors such as energy storage, hydrogen energy, biomass energy, geothermal energy, and marine energy, covering key risk-prone stages including research and development, manufacturing, and operation and maintenance.
The Ministry of Finance, the Ministry of Industry and Information Technology, and the Ministry of Transport	April 2024	Notice on Carrying out Pilot Work to Address Weaknesses in County-level Charging and Swapping Facilities (Cai Jian [2024] No. 57 (《關於開展縣域充換電設施補短板試點工作的通知(財建〔2024〕57號)》)	The Ministry of Finance, the Ministry of Industry and the Information Technology, and the Ministry of Transport jointly launched a pilot program to address weaknesses in county-level charging and swapping facilities, offering rewards of up to RMB45 million for PV-Storage-Charging Integration projects to promote the integrated development of new energy and energy storage.

Issuing authority	Issuing time	Industrial policy	Descriptions
General Office of the Ministry of Industry and Information Technology, General Office of the National Development and Reform Commission, General Office of the Ministry of Agriculture and Rural Affairs, General Office of the Ministry of Commerce, and Comprehensive Department of the National Energy Administration	May 2024	Notice on Carrying out the 2024 New Energy Vehicle Rural Promotion Activity (《關於開展2024年新能源汽車下鄉活動的通知》)	From May to December 2024, new energy vehicle models suitable for rural markets, with good reputations and reliable quality, were selected for centralized exhibitions, test drives, and other activities. These initiatives provided consumers with rich experiences and diverse options. Charging and swapping services, financial services such as insurance, claims, and credit for new energy vehicles, as well as after-sales services like maintenance and repair, were organized to address the gaps in supporting infrastructure in rural areas. At the same time, policies supporting vehicle trade-ins and improving charging and swapping facilities in county-level regions were implemented, delivering tangible benefits to consumers.

Issuing authority	Issuing time	Industrial policy	Descriptions
State Council	May 2024	2024–2025 Energy Saving and Carbon Reduction Action Plan (Guo Fa [2024] No. 12) (《2024–2025年節能降碳行動方案(國發〔2024〕12號)》)	Gradually remove purchase restrictions on new energy vehicles across all regions nationwide. Implement supportive policies to facilitate the use of new energy vehicles. Promote the electrification of vehicles in the public sector, systematically introduce new energy medium and heavy-duty trucks, and develop zero-emission freight fleets. Advance the retirement and renewal of old transport ships and promote pilot projects for the electrification of coastal and inland vessels. By the end of 2025, reduce the carbon emission intensity of the transportation sector by 5% compared to 2020. Raise the "14th Five-Year Plan" new energy storage installation target from 30GW to more than 40GW. By the end of 2025, the installed capacities for pumped-storage hydropower and new energy storage will exceed 62 million kilowatts and 40 million kilowatts, respectively.

Issuing authority	Issuing time	Industrial policy	Descriptions
The Ministry of Finance	June 2024	Notice on Issuing the Central Government's Pre-allocated Budget for 2024 Vehicle Trade-in Subsidies (《關於下達2024年汽車以舊換新補貼中央財政預撥資金預算的通知》)	In terms of tax support policies, in order to support the development of the new energy vehicle industry and promote automobile consumption, starting from January 1, 2024, new energy vehicles purchased between January 1, 2024, and December 31, 2025, are exempt from vehicle purchase tax, with a maximum exemption of RMB30,000 per new energy passenger vehicle. For new energy vehicles purchased between January 1, 2026, and December 31, 2027, the vehicle purchase tax is halved, with a maximum reduction of RMB15,000 per new energy passenger vehicle.
The National Energy Administration	September 2024	Basic Rules for Electric Power Market Registration (《電力市場註冊基本規則》)	Standardize the registration requirements for new energy storage enterprises participating in the electric power market, requiring them to have independent metering and control capabilities. Support the conversion of co-located energy storage facilities into independent projects to participate in market transactions.

Issuing authority	Issuing time	Industrial policy	Descriptions
Northeast China Energy Regulatory Bureau of National Energy Administration	September 2024	Implementation Rules for Power Grid Operation Management in the Northeast Region, Implementation Rules for Power Auxiliary Service Management in the Northeast Region (《東北區域電力並網運行管理實施細則》《東北區域電力輔助服務管理實施細則》)	Specify the entry requirements for new energy storage technologies, such as electrochemical and compressed air storage, to participate in the power ancillary services market. Introduce a new compensation mechanism for primary frequency regulation at a rate of RMB10,000 per MWh, with the compensation volume calculated based on actual contributions.

During the Reporting Period, the important local policies relating to the new energy industry are as follows:

Issuing authority	Issuing time	Industrial policy	Descriptions
Development and Reform Commission of Shenzhen Municipality	October 2023	New Energy Vehicle Promotion and Application Work Plan in Shenzhen (2023–2025) (《深圳市新能源汽車推廣應用工作方案(2023–2025年)》)	Provide subsidies of up to RMB20,000 for the purchase of new energy vehicles and expand the coverage of charging facilities.

Issuing authority	Issuing time	Industrial policy	Descriptions
Shanghai Municipal Development & Reform Commission, Shanghai Municipal Finance Bureau	December 2023	Measures to Encourage the Purchase and Use of New Energy Vehicles in Shanghai (2024 Revision) (《上海市鼓勵購買和使用新能源汽車實施辦法》(2024年修訂))	Provide a maximum subsidy of RMB10,000 per vehicle for pure electric and plug-in hybrid electric vehicles, along with support for charging costs and license plate quotas.
General Office of the People's Government of Jiangxi	May 2024	Several Measures to Promote the High-Quality Development of the Lithium Battery New Energy Industry Chain in Jiangxi (《關於促進我省鋰電新能源產業鏈高質量發展的若干措施》)	1) Accelerate the development of advanced manufacturing clusters: Ganzhou capitalizes on its resource industry advantages, such as rare earths, to develop key products including the EIC system for new energy vehicles and ternary cathode materials, cultivating core competitiveness in the new energy vehicle industry. 2) Promote cascade utilization: consolidate and improve the cascade utilization and recycling capabilities of waste motive power batteries from new energy vehicles, actively guide relevant enterprises to apply for compliance with the "Industry Standards for the Comprehensive Utilization of Waste Power Batteries from New Energy Vehicles."

Issuing authority	Issuing time	Industrial policy	Descriptions
			3) Expand applications and strengthen leadership: support cities in the province to create national pilot zones for the comprehensive electrification of public sector vehicles. Expand the application of new energy vehicles in urban public transport, freight, sanitation, logistics, postal delivery, stations, scenic areas, and other public service fields.
Shanghai Municipal Commission of Economy and Informatization	June 2024	Measures to Encourage the Purchase and Use of New Energy Vehicles in Shanghai (《上海市鼓勵購買和使用新能源汽車實施辦法》)	1) For consumers purchasing new energy vehicles (excluding imported new energy vehicles), in addition to the central government subsidies, additional municipal subsidies will be provided based on the registered vehicle model information and the subsidy standards determined by the city. The municipal subsidies are primarily based on energy-saving and emission-reduction effects, with a gradual phase-out plan that takes into account factors such as production costs, economies of scale, and technological advancements.

Issuing authority	Issuing time	Industrial policy	Descriptions
			2) Eligible pure electric vehicles will receive municipal subsidies at a ratio of 1:0.5 of the central government subsidy; eligible plug-in hybrid (including range-extended) passenger vehicles with engine displacement not exceeding 1.6 liters will receive municipal subsidies at a ratio of 1:0.3 of the central government subsidy; fuel cell vehicles included in the "Shanghai Fuel Cell Vehicle Development Plan" and meeting the technical standards for demonstration operation, and operating within the designated fuel cell vehicle commercial operation demonstration zones in Shanghai, will receive municipal subsidies at a ratio not exceeding 1:1 of the central government subsidy. Technical standards and operational requirements for fuel cell vehicles will be formulated separately.

Issuing authority	Issuing time	Industrial policy	Descriptions
			3) The subsidy object of the municipal finance is the consumer. The municipal subsidies are directed to consumers. When selling new energy vehicles, manufacturers should settle with consumers at the price after deducting both central and municipal subsidies. The municipality will, following the procedures, reimburse the manufacturers for the municipal subsidies they have advanced. Except for fuel cell vehicles, the total amount of central and municipal subsidies should not exceed 50% of the vehicle's sales price in principle. If the total subsidy exceeds 50% of the vehicle's sales price, the municipal subsidy will be calculated after deducting the central subsidy.
Guangdong Province	May 2024	Several Measures to Promote the High-Quality Development of the New Energy Storage Industry in Baiyun District, Guangzhou (Trial) (《廣州市白雲區促進新型儲能產業高質量發展若干措施(試行)》)	Projects with fixed asset investments exceeding RMB50 million will receive a 10% subsidy, with a maximum subsidy of RMB100 million. Support will also be provided for innovation platform construction (up to 5 million yuan) and user-side energy storage projects (0.2 yuan/kWh for discharged energy, with a maximum subsidy of 3 million yuan).

Issuing authority	Issuing time	Industrial policy	Descriptions
Department of Industry and Information Technology of Shandong Province and other 4 departments	June 2024	Notice on Carrying out the 2024 New Energy Vehicle Rural Promotion Activity in Shandong (《關於開展2024年山東省新能源汽車下鄉活動的通知》)	Adhering to collaboration among provincial, municipal, and county levels, more than 60 consumption promotion events were held in Shandong Province, including no fewer than 30 rural sales exhibitions. October was designated as the "New Energy Vehicle Consumption Promotion Month." The Shandong Province New Energy Vehicle Rural Sales Model Catalog has been released, supporting enterprises in organizing brand joint exhibitions, online promotions, live-streamed car sales, and internet-based car purchases. This initiative aims to accelerate the introduction of suitable new energy vehicle models, such as passenger cars, mini trucks, light trucks, and pickup trucks, into rural areas.
The People's Government of Sichuan Province	June 2024	Sichuan Electric Vehicle Charging Infrastructure Development Plan (2024–2030) (《四川省電動汽車充電基礎設施發展規劃(2024–2030年)》)	Sichuan Province plans to build 860,000 charging stations by 2025, with a total designed capacity of 13 million kilowatts. By 2030, the goal is to establish 2.93 million charging stations, increasing the total rated capacity to 29.56 million kilowatts, thereby forming a high-quality charging infrastructure system with a scientifically planned layout and outstanding efficiency.

Issuing authority	Issuing time	Industrial policy	Descriptions
Dongying City, Shandong Province	September 2024	Energy Storage Project Inclusion Policy (《儲能項目入庫政策》)	A total of 73 lithium battery projects and 4 compressed air projects have been included in the 2024 new energy storage project catalog, with a total installed capacity exceeding 800 MW.
Urumqi City, Xinjiang	September 2024	User-Side Energy Storage Plan (《用戶側儲能規劃》)	By 2025, user-side energy storage capacity will reach 80MW/160MWh, promoting green and low-carbon transformation.

During the Reporting Period, the existing foreign subsidy policies relating to new energy vehicles are as follows:

Issuing authority	Industrial policy	Descriptions
Germany	Tax preference for personal vehicles	1. Pure electric vehicles and hydrogen fuel cell vehicles registered before 31 December 2025, are eligible for a ten-year exemption from motor vehicle taxes, with the exemption period lasting until 31 December 2030. 2. Vehicles with carbon dioxide emissions of 95 g/km or less are exempt from the annual circulation tax
	Tax preference for corporate vehicles	1. Reducing the taxable amount for pure electric vehicles and plug-in hybrid vehicles (based on 0.5-1% of the total vehicle price per month). 2. For pure electric vehicles with a total price below €60,000, further reducing the tax amount (based on 0.25-1% of the total vehicle price per month).
Indonesia	Taxation preferential policies related to luxury sales tax and tariffs for electric vehicles	1. Exemption of luxury sales tax for the import and sale of eligible new energy vehicles in 2024. 2. Zero-tariff preference for qualified import enterprises of four-wheeled electric vehicles through the approval of quotas in 2024.

Issuing authority	Industrial policy	Descriptions
Britain	Tax preference for corporate vehicles	Preferential tax rates for corporations using pure electric vehicles and low-emission models (with CO2 emissions below 75g/km).
	Subsidies on vehicle purchases	A 35% discount (up to £2,500) on the replacement of a passenger vehicle with an accessible vehicle. The vehicle must meet the following criteria: 1. have zero carbon dioxide emissions; 2. be able to travel no less than 112km with zero emissions; 3. cost less than £35,000 (excluding conversion costs).
	Subsidies for charging facilities	1. Home charging subsidies for electric vehicle: applicable to homeowners or tenants installing home charging facilities at home. 2. Workplace charging subsidies: applicable to installation subsidies of electric vehicle charging facilities for businesses, covering up to 75% of the costs, with a maximum subsidy of £350 per socket (up to 40 sockets).
France	Taxation preferential policies	1. Some regions exempt new energy vehicles from all or 50% of taxes. 2. Exemption from quality-based high emissions tax for pure electric, fuel cell and plug-in hybrid models (with a range of more than 50km). 3. Exemption from carbon dioxide tax for corporate vehicles (except diesel vehicles) with carbon dioxide emissions below 60g/km.

Issuing authority	Industrial policy	Descriptions
	Subsidies on vehicle purchases	1. Low-income families who purchase eligible new energy vehicles can receive a subsidy of 7,000 euros and other families can receive a subsidy of 4,000 euros.
		2. Low-income households who purchase eligible used or new pure electric vehicles or fuel cell electric vehicles can receive a subsidy of €5,000 and other households or legal entities can receive a subsidy of €1,500.
Thailand	Fiscal and taxation preferential policies	1. Enterprises purchasing fully imported or domestically assembled electric trucks and buses are entitled to credit preferential policies against corporate income tax for the current year, which is 1.5 times the vehicle price in the case of fully imported vehicles, and twice the vehicle price in the case of domestically assembled vehicles, and will be implemented until 31 December 2025.
		2. Individual consumers will receive different levels of subsidies for purchasing electric vehicles between 2024 and 2027.

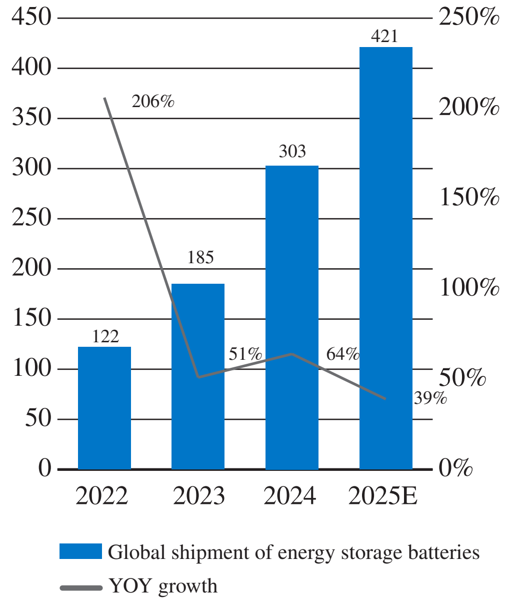
Source: public information, websites of governments

In general, the driving force of new energy vehicles in the Chinese market is gradually shifting from a policy-oriented to a product-oriented approach. The previous incentive measures such as economic subsidies are gradually weakening. Overseas markets are also gradually reducing direct subsidies on vehicle purchases, but indirectly supporting the development of new energy vehicles by means of tax incentives and subsidies for the construction of charging facilities. Currently, policy support and technological innovation remain the main drivers for the development of new energy vehicles, but the uncertainty of the diplomatic environment and the risk of the raw material supply chain are still challenges. According to the forecast of Gaogong Industry Research Institute (GGII), the global sales volume of new energy vehicles is expected to reach 23.50 million units in 2025. Looking ahead, with the advancement of globalization, breakthroughs in intelligent technology and the emergence of new car models, the new energy vehicle market will usher in greater opportunities for development. At the same time, competition in the market will become more intense, and major automakers will need to continue to innovate in order to maintain their leading position in the market.

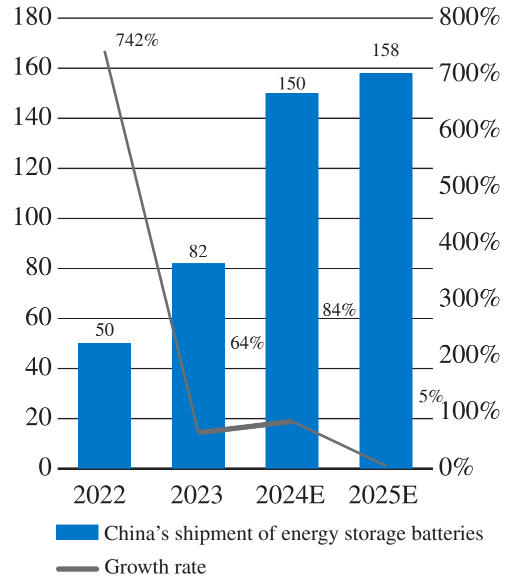
5. Analysis of the energy storage market

With the increasing global focus on carbon emissions and the strengthening of carbon neutrality strategies, the traditional fossil fuel energy system is rapidly transforming towards a structure with clean, low-carbon, and renewable energy sources as the core. In this context, the energy storage sector is experiencing unprecedented growth momentum. Energy storage demand is segmented into the generation side, grid side, user side and base stations and data centers. The energy storage market is in a thriving stage of development in the PRC, which the policies is the core driving force is policy support. In the industrial and commercial sectors, with the continuous improvement of the time-of-use electricity fee mechanism and the upward trend of electricity prices for high energy-consuming enterprises, energy storage is gradually gaining attention as an economically efficient solution. According to the forecast of Yangtze Securities Research Institute, global energy storage demand in 2024 was approximately 240GWh. In terms of the distribution of energy storage demand among countries in 2024, the PRC and the United States primarily focused on generation-side energy storage, accounting for 69% and 79% of their total energy storage demand, respectively, while Europe primarily focused on user-side energy storage, accounting for 45% of its total energy storage demand. The global shipment of energy storage batteries in 2024 was approximately 303GWh and is expected to be 421GWh in 2025, representing a year-on-year increase of 39%; in 2024, China's shipment of energy storage batteries was 150GWh, and it is expected to be 158GWh in 2025, representing a year-on-year increase of 5%.

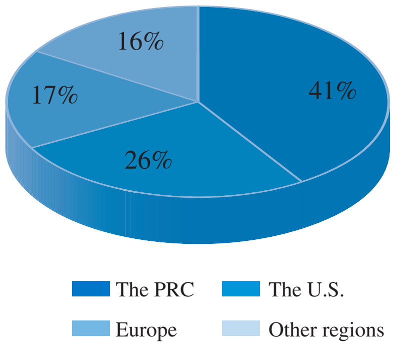
Global shipment of energy storage batteries (Unit: GWh)



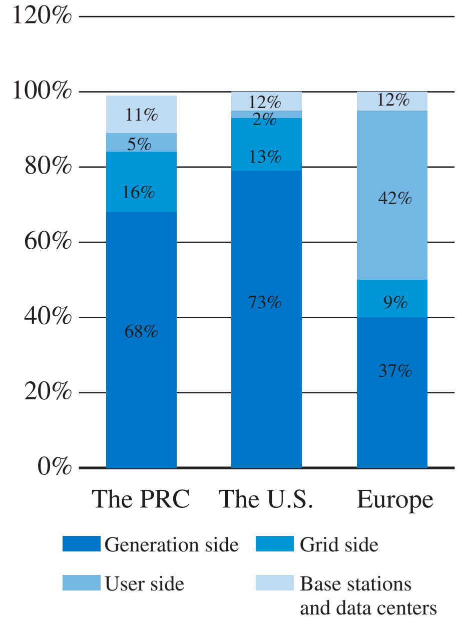
China's shipment of energy storage batteries (Unit: GWh)



Global energy storage demand by regions in 2024



Global energy storage demand by application scenarios in 2024



Source: Yangtze Securities Research Institute and www.askci.com

6. 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. Considering that the motive power batteries will enter into a large-scale decommissioning period, it is important to carry out the recycling of motive power batteries, which has drawn high concerns from countries and societies. 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 recovery, cascade utilization and recycling; strengthen the supervision of the whole life cycle of motive power batteries; support the innovative application of motive power battery cascade products in energy storage, energy reserve, charging and swapping; and strengthen the research and development of residual energy inspection, residual value evaluation, recombination utilization 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 scrapped power batteries. From the perspective of application, the decommissioned power batteries have great application potential in energy storage and low-speed electric vehicles. According to Guosen Securities, it is estimated that the total lithium recovery of decommissioned power batteries will reach approximately 50,000 tons of LCE in 2025.

7. Low-Altitude Economy Market Analysis

2024 marks the inaugural year for the leapfrog development of China's low-altitude economy. Driven by both policy support and market forces, this emerging industry is demonstrating robust vitality. For the first time, the low-altitude economy has been included in the government work report, signifying its official recognition as a national strategic emerging industry. The State Council has established a dedicated Low-Altitude Economy Department to coordinate development planning and policy formulation. At the national level, the "Implementation Plan for Innovative Application of General Aviation Equipment (2024–2030)" sets a target of creating a trillion-yuan market by 2030. At the local level, various supportive policies have been introduced to promote industrial clustering through enterprise cultivation and scenario expansion. According to authoritative institutions such as the Ministry of Industry and Information Technology, the market size of China's low-altitude economy is approximately RMB500 billion in 2024, which will climb to RMB850 billion by 2025. By 2030, it is anticipated to surpass RMB3.5 trillion, highlighting the immense development potential of China's low-altitude economy.

The development of the low-altitude economy in foreign markets is also progressing rapidly. In developed regions such as Europe, the United States, and Japan, the low-altitude economy has become a significant driver of technological innovation and industrial upgrading. In the United States, various bills and policies have been actively promoted to advance the low-altitude economy; commercial applications in areas such as drone logistics, urban air mobility (UAM), and agricultural protection have gradually matured; and significant progress has also been made in the research, development, and testing of electric vertical take-off and landing (eVTOL) aircraft technologies. In Europe, the "Single European Sky" (SES) initiative has optimized airspace management and promoted cross-border cooperation. At the same time, application scenarios such as drone delivery and low-altitude tourism are being gradually expanded. In Japan, notable achievements have been made in drone logistics and disaster relief. Japanese government and enterprises are working together to promote the commercialization of the low-altitude economy.

Overall, driven by policy support, technological advancements, and capital investment, the global low-altitude economy has entered a phase of rapid development. In the future, it is expected to form a large-scale and diversified industrial ecosystem, injecting new momentum into global economic growth.

8. *Analysis of the solid-state battery market*

Solid-state batteries are a new type of energy storage technology, with operating principles similar to liquid lithium-ion batteries. The main materials of solid-state lithium-ion batteries include cathode materials, anode materials and solid electrolytes. The core of this technology lies in replacing the electrolyte solutions and diaphragms of liquid batteries with solid electrolytes, reducing or eliminating the need for diaphragms and electrolyte solutions. Compared to traditional lithium-ion batteries, solid-state batteries offer higher energy density (storing more electric energy per unit volume/weight), faster charging speeds, longer service life, and increased safety (mitigating risks of liquid electrolyte leakage and combustion). However, this technology currently faces challenges such as high costs of electrolyte materials, high interface impedance, and immature large-scale production processes. Solid-state batteries are considered a crucial direction for the development of the next generation of battery technology. In recent years, significant progress has been made in R&D and industrialization of solid-state batteries. According to the 2025 Blue Book on the High-Quality Development of Solid-State Batteries of Qianzhan Industry Research Institute (前瞻產業研究院), the industrialization of solid-state batteries is expected to reach a milestone around 2030. It is expected that by 2030, the global shipment volume of solid-state batteries will reach 614.1GWh, and the overall market sales size of solid-state batteries will reach RMB17.2 billion.

During the Reporting Period, the existing domestic policies related to solid-state batteries and relevant industry associations are as follows:

Issuing authority	**Relevant policy**	**Descriptions**
The State Council	New Energy Vehicle Industry Development Plan (2021–2035) (新能源汽車產業發展規劃(2021–2035年))	Column 1 focuses on the "Core Technology Research Project for New Energy Vehicles", with the first task being the implementation of breakthrough actions in battery technology. It proposes to conduct research on key core technologies such as cathode and anode materials, electrolytes, diaphragms and membrane electrodes, and emphasizes addressing the weaknesses in high-strength, lightweight, high-safety, low-cost, and long-life power batteries and fuel cell systems, and accelerating R&D and industrialization of solid-state power battery technology.

Issuing authority	Relevant policy	Descriptions
Six ministries including the Ministry of Industry and Information Technology	Guiding Opinions on Promoting the Development of the Energy Electronics Industry (關於推動能源電子產業發展的指導意見)	Column 2 focuses on the "Promotion Action for the Supply Capacity of New Energy Storage Battery Products and Technologies", It proposes to support the development of ultra-long-life and high-safety energy storage lithium-ion batteries, optimize design and manufacturing processes, enhance the safety and economy of batteries throughout their lifecycle from multiple dimensions including materials, cells and systems, and promote R&D and application of polymer lithium-ion batteries, all-climate batteries, solid-state batteries, and fast-charging batteries; emphasizes strengthening the industrialization technology breakthroughs for new energy storage batteries, advancing the large-scale application of advanced energy storage technologies and products, accelerating R&D of solid-state batteries, and enhancing research on the standard system of solid-state batteries.
Eight ministries including the Ministry of Industry and Information Technology	Action Plan for High-quality Development of the New Energy Storage Manufacturing Industry (新型儲能製造業高質量發展行動方案)	Strengthen the standard layout for new energy storage technologies such as sodium batteries, solid-state batteries and flow batteries, with a focus on deploying advanced energy storage lithium battery products including large-capacity high-safety energy storage batteries, high-power batteries, high-energy efficiency batteries throughout their lifecycle, solid-state batteries for energy storage, all-climate low-degradation long-life batteries, and high-consistency battery systems.

Issuing authority	Relevant policy	Descriptions
Date of establishment	**Name of association**	**Descriptions**
21 January 2024	China All-solid-state Battery Collaborative Innovation Platform	Focus on industrial policies, technologies, and industrial development related to all-solid-state batteries, strengthen research and promotion of common key technology in the solid-state battery industry, and accelerate the process of solid-state battery technology industrialization.
18 December 2023	Solid-state Battery Industry Innovation Consortium (固態電池產業創新聯合體)	The Solid-state Battery Industry Innovation Consortium, comprising 27 entities including FAW Group, Dongfeng Motor and Changan Automobile, was established on 18 December in Shenzhen.

BUSINESS REVIEW

The Group has built the most comprehensive lithium industry value chain in the world, covering the important sectors of the lithium industry from upstream to downstream, including (1) extraction of upstream lithium resources; (2) deep processing of lithium compounds; (3) production of lithium metals; (4) production of lithium batteries; and (5) reclaiming and recycling lithium. During the Reporting Period, the revenue of the Group decreased from RMB32,812,017 thousand in 2023 to RMB18,726,175 thousand in 2024, representing a decrease rate of 42.9%; its gross profit decreased from RMB4,543,082 thousand to RMB2,127,125 thousand, representing a decrease rate of 53.2%. The profit for the year attributable to owners of the parent company decreased from RMB4,982,547 thousand in 2023 to RMB-2,068,512 thousand in 2024, representing a decrease rate of 141.5%. The total assets of the Group increased from RMB91,697,901 thousand in 2023 to RMB100,832,297 thousand in 2024, representing a growth rate of 10.0%; and its net assets decreased from RMB52,315,862 thousand in 2023 to RMB47,587,897 thousand in 2024, representing a decrease rate of 9.0%.

1. Products and capacity

In order to satisfy fast growing demands for lithium products in the market, the Company further expanded its production capacity by conducting technical transformation of the existing production lines and building new production lines. The expansion of production capacity will help expand the Company's global market share to meet the growing demand of customers for the Company's products.

Major production bases and product categories of the Company：

Lithium Compound and Lithium Metal

Production Base/ Subsidiary	Location	Primary Products	Year of Production Commencement
Fengxin Ganfeng	Fengxin, Jiangxi	Lithium metal	2011
Yichun Ganfeng	Yichun, Jiangxi	Lithium metal	2013
10,000-ton Lithium Salt	Xinyu, Jiangxi	Lithium carbonate, lithium hydroxide, lithium chloride and butyl lithium	2014
Ningdu Ganfeng	Ningdu, Jiangxi	Lithium carbonate	2018
Xinyu Ganfeng	Xinyu, Jiangxi	High-purity lithium carbonate, lithium fluoride and lithium perchlorate	2020
Fengcheng Ganfeng	Fengcheng, Jiangxi	Lithium hydroxide	2024
Sichuan Ganfeng	Dazhou, Sichuan	Lithium carbonate, lithium hydroxide	Trial production
Qinghai Ganfeng	Haixi Prefecture, Qinghai	Lithium metal	Commissioning

Lithium Battery

Production Base/ Subsidiary	Location	Primary Products	Year of Production Commencement
Ganfeng LiEnergy	Xinyu, Jiangxi	Lithium-ion motive power batteries, energy storage batteries	2016
Ganfeng Electronics	Xinyu, Jiangxi	Polymer lithium battery specially designed for smart wearable products, TWS wireless Bluetooth headset battery	2018
Jiangsu Ganfeng	Suzhou, Jiangsu	Power and energy storage battery pack, battery management system	2019
Huichuang New Energy	Dongguan, Guangdong	PACK system for two-wheeled vehicles, outdoor and household energy storage	2017
Huizhou Ganfeng	Huizhou, Guangdong	Polymer lithium battery, TWS wireless Bluetooth headset battery	2022
Chongqing Ganfeng Lithium Battery	Chongqing	Power battery PACK system	2023

Lithium Battery Recycling

Production Base/ Subsidiary	Location	Primary Products	Year of Production Commencement
Ganfeng Recycling	Xinyu, Jiangxi	Lithium recycling solution, NCM precursor	2017
Ganfeng Renewable Resources	Ganzhou, Jiangxi	Metal waste, cathode material powder	2022
Sichuan Ganfeng	Dazhou, Sichuan	Metal waste, cathode material powder	2023

2. Lithium chemical business

As the world's largest metal lithium producer and the largest lithium compounds supplier in the PRC, the Company owns the industrialized technology of "lithium extracted from brine", "lithium extracted from ore" and "lithium extracted from decommissioned battery" at the same time. As of the date of disclosure of this report, the lithium hydroxide project with annual production capacity of 25,000 tons in Fengcheng Ganfeng Phase I has been ramping up its capacity and has gradually reached full production, marking the successful construction of the Company's first Ganfeng smart chemical plant; the 50,000 tons per annum of lithium salt project of Sichuan Ganfeng was completed and put into production by the end of 2024. It is currently in the commissioning phase and is expected to gradually release its optimal production capacity by 2025; the lithium metal project with annual production capacity of 1,000 tons in Qinghai Ganfeng Phase I has been completed and is currently in the production line commissioning phase; a small improvement in the desulfurization process of Ningdu Ganfeng has led to significant enhancement, further improving product quality; continuous automatic upgrades of Xinyu Ganfeng achieved cost reduction and efficiency improvement, with notable optimization effects on the battery-grade lithium fluoride process. In 2025, the Company will further implement lean production and energy-saving measures, actively reduce costs through meticulous management, enhance the digitalization and intelligence level of the factory, and accelerate the cultivation of new quality productivity.

As of the date of disclosure of this announcement, the production capacity of the Company's existing lithium salt products is distributed as follows:

No.	Production Base	Location	Primary Products	Designed production capacity
1	10,000–ton Lithium Salt	Xinyu, Jiangxi	Lithium hydroxide	81,000 tons/year
			Lithium carbonate	15,000 tons/year
			Lithium chloride	12,000 tons/year
			Butyl lithium	2,000 tons/year
2	Xinyu Ganfeng	Xinyu, Jiangxi	High-purity lithium carbonate	10,000 tons/year
			Lithium fluoride	10,000 tons/year
3	Ningdu Ganfeng	Ningdu, Jiangxi	Lithium carbonate	20,000 tons/year
4	Hebei Ganfeng	Cangzhou, Hebei	Lithium carbonate	6,000 tons/year
5	Yichun Ganfeng	Yichun, Jiangx	Lithium metal	1,500 tons/year
6	Fengxin Ganfeng	Fengxin, Jiangxi	Lithium metal	650 tons/year
7	Qinghai Ganfeng (Phase I)	Haixi Prefecture, Qinghai	Lithium metal	1,000 tons/year

No.	Production Base	Location	Primary Products	Designed production capacity
8	Fengxin Ganfeng (Phase I)	Fengcheng, Jiangxi	Lithium hydroxide	25,000 tons/year
9	Argentina Cauchari-Olaroz	Jujuy, Argentina	Lithium carbonate	40,000 tons/year
10	Argentina Mariana	Salta, Argentina	Lithium chloride	20,000 tons/year
11	Sichuan Ganfeng	Dazhou, Sichuan	Lithium carbonate	25,000 tons/year

Note: The designed production capacity of Argentina Cauchari-Olaroz and Hebei Ganfeng is calculated based on 100% interest held.

3. Lithium resources

As of the date of disclosure of this announcement, upstream lithium resources that the Company has direct or indirect interests across the globe are shown as follows:

No.	Resource type	Project name	Ownership interest	Resources
1	Spodumene	Mount Marion spodumene project in Australia	50%	2,190,000 tons of LCE
2		Pilgangoora spodumene project in Australia	5.74%	11,590,000 tons of LCE
3		Goulamina spodumene project in Mali	65%	7,140,000 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	Lithium 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		PPG lithium salt-lake project in Argentina	100%	11,060,000 tons of LCE
9		Pastos Grandes lithium salt-lake project in Argentina	14.8%	5,260,000 tons of LCE
10		Yiliping salt-lake project in Qinghai	49%	1,650,000 tons of LCE
11		Dezongmahai lake project	100%	under exploration
12	Lepidolite	Songshugang tantalum-niobium mine project in Shangrao	90%	1,490,000 tons of LCE
13		Vilasto lithium ore project in Inner Mongolia	12.5%	1,420,000 tons of LCE

No.	Resource type	Project name	Ownership interest	Resources
14		Chenzhou Xianghuapu lithium mica mine project in Hunan	20%	under exploration
15		Inner Mongolia Gabus niobium tantalum mine project	70%	1,110,000 tons of LCE
16	Lithium clay	Sonora lithium clay project in Mexico	100%	8,820,000 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 public information of respective projects;

2) The calculation results of resource are the sum of proved resource, controlled resource and inferred resource, among which the calculation results of resource of spodumene and lepidolite project are the sum of proved resource and controlled resource, and the LCE data for the salt-lake project are converted from the lithium chloride data contained in the total porosity resource reserve;

3) The ownership interest is converted to the project shareholding based on the shareholding ratio;

4) The Company's ownership interest in Australia-based Pilbara Minerals Limited includes that pledged to the bank following the Company's collar option transaction.

As of the date of this announcement, the development progress of some of the Company's major mineral projects is set out below:

(1) The Mount Marion spodumene project, located approximately 40 kilometers from Kalgoorlie, Western Australia, is currently one of the Company's key sources of lithium spodumene raw materials, in which the Company holds a 50% equity interest, and which has a nominal designed production capacity of 900,000 tons/year of mixed-grade spodumene concentrate. In 2024, the operating objectives of the Mount Marion spodumene project have been adjusted and optimized to adapt to the current relatively low lithium price environment, reducing capital expenditures and production and operation costs of the project by reducing the actual output while ensuring the spodumene concentrate supply for the Company. It is scheduled to upgrade the mineral processing technology and develop underground mining to further reduce production costs and ensure the sustainable and stable operation of the Mount Marion spodumene project.

(2) Cauchari-Olaroz is a lithium salt lake located in Jujuy Province in Northwest Argentina. As of the date of disclosure of this report, the Company held 46.67% equity interests in Cauchari-Olaroz project and has the right of control over the project. With total lithium resource of approximately 24.58 million tons of LCE, Cauchari-Olaroz project is one of the world's largest projects extracting lithium from salt lakes, with a nominal designed production capacity of 40,000 tons of LCE per year. The Company has entered into an offtaking agreement to secure the exclusive offtaking rights to 76% of the annual output of 40,000 tons of LCE from the Cauchari-Olaroz project. Currently, the progress of the production capacity ramp-up of the project is smooth, reaching an output of 25,400 tons of LCE in 2024 and a single quarterly output of 8,500 tons of LCE in 4Q2024, with a single quarterly output at approximately 85% of nominal designed production capacity.

The Company will also actively optimize and upgrade the lithium extraction techniques of the Cauchari-Olaroz project and plans to add a demonstration line with a production capacity of 5,000 tons of LCE on top of production capacity in phase I of the project. The demonstration line will partially adopt the direct lithium extraction technology, which is featured by reducing capital expenditures and production and operation costs and increasing the lithium yield of the Company while minimizing the consumption of fresh water. Based on the follow-up operation results of the demonstration line, the Company plans to apply the technology in phase II of the Cauchari-Olaroz project, with a preliminarily planned capacity of 40,000 tons of LCE for phase II.

(3) Mariana is a lithium-potassium salt lake located in Salta Province, Argentina. According to a technical report issued by Golder Associates Consulting Ltd., the total lithium resources at the Mariana lithium salt lake project amounted to approximately 8,120,000 tons of LCE. The construction of the project has been completed. In February 2025, the production line for phase I of the Mariana lithium salt-lake project with a planned annual production capacity of 20,000 tons of lithium chloride was officially put into operation. The Company will accelerate the progress of the production capacity ramp-up of the project, and it is expected that the Mariana project will gradually supply lithium chloride products in a stable manner from the second half of 2025 onwards.

(4) The Qinghai Yiliping lithium salt lake project is located in the Lenghu Administrative Committee of Haixi Mongol and Tibetan Autonomous Prefecture, Qinghai Province, with a mine area of 422.72 square kilometers and a total porosity resource reserve of 984,803,900 cubic meters of brine, containing 1,897,000 tons of lithium chloride and 18,658,700 tons of potassium chloride. The total feedwater resource reserve is 469,199,200 cubic meters of brine, containing 920,740 tons of lithium chloride and 9,003,600 tons of potassium chloride. The Company indirectly holds a 49% interest in the project through a subsidiary, and the project currently has an annual production capacity of 14,000 tons of lithium carbonate.

(5) The Goulamina spodumene ore project is located in southern Mali, Africa and covers an area of 100 square kilometers with a total explored ore resource of 211 million tons, corresponding to a total lithium resource of approximately 7,140,000 tons of LCE, at an average lithium oxide grade of 1.37%. The project is currently planned to have a production capacity of 506,000 tons of lithium concentrate in phase I, with a potential expansion to 1,000,000 tons of lithium concentrate in phase II, and the Company holds 65% interest in the Goulamina project. Phase I of the Goulamina spodumene project has been completed and put into production, and will gradually release the production capacity in 2025, to provide the Company with high-quality and low-cost lithium concentrate.

(6) PPG lithium salt-lake project is located in the west of Salta Province, Argentina, at the center of multiple salt lake projects, and includes two lithium salt lake assets, Pozuelos and Pastos Grandes. It possesses the geographical conditions necessary to integrate surrounding salt lake projects into a large-scale mine. According to the estimation of Golder Associates Consulting Ltd, the total resource of the PPG project may reach 11.06 million tons of LCE. The Company will gradually advance the capacity construction of the PPG project, and now the construction of the PPG project is still in the preliminary preparation process.

(7) Songshugang tantalum-niobium mine project is located in Hengfeng County, Shangrao City, Jiangxi Province. According to the relevant exploration report filing, the total ore volume of the project is 298.604 million tons, accompanied by 603,800 tons of lithium oxide, with an average grade of 0.2022%. Currently, the project is still under construction, and the procedures for transferring the exploration right to the mining right of the project have been completed and a mining license was obtained.

(8) Gabus niobium tantalum mine project of Mengjin Mining is located in Xianghuangqi, Inner Mongolia Autonomous Region. According to the relevant exploration report filing, the average grade of upper dolomite containing lithium of the project is 0.67%, with a total ore volume of 72,443,000 tons, and the Company holds 70% interest in the project. Currently, the construction of phase I of 600,000 tons/year of mining and processing project has been completed, and the safety production qualification was obtained. It's expected to complete the capacity ramp-up and gradually reach full production in 2025;

(9) The Mboukoumassi potassic salt ore project of Congo (Brazzaville) is located in Luango District, Kwilu Province, the Republic of the Congo. It is adjacent to the Atlantic Ocean to the west and about 35km away from PointeNoire, the economic capital, to the south. The mining rights cover an area of 242 square kilometers, and are divided into the north and south mining zones, with the Kwilu River as the boundary. The main ore type of the mine is carnallite, accompanied by bromine and other resources, and the current estimated KCL resources within the scope of the mining rights are approximately 1.01 billion tons, with an average grade of more than 21%, while the lithium resources are still under exploration. It is scheduled to have a production capacity of 2 million tons of KCL products and 40,000 tons of bromine for the project. The construction of the project is in continuous progress, and the overall project is expected to be completed and put into production by 2027.

(10) Bailongtan phosphorus mine and Daaozi phosphorus mine are located in Kunming, Yunnan Province. Bailongtan phosphate mine primarily contains collophane, followed by a minor amount of filamentous and fibrous apatite. As of 31 August 2023, Bailongtan phosphorus mine had 27.5515 million tons of resources with an average grade of 21.76%, available reserves of 10.50 million tons with an average grade of 23.8%, and a designed annual production capacity of 400,000 tons. Bailongtan phosphorus mine was completed and put into operation in 2010; Daaozi phosphorus mine has 32.2955 million tons of resources with an average grade of 24.58%, available reserves of 25.07 million tons with an average grade of 24.79%, and a designed annual production capacity of 600,000 tons. Daaozi phosphorus mine was completed and put into operation in 2022. The output of phosphorus mine reached 348,100 tons in 2024.

4. Lithium battery business

Based on the advantages in upstream lithium resources supply and full industrial chain of the Company, the Company's lithium battery business has covered five categories of solid-state lithium battery, motive power batteries, consumer batteries, lithium polymer batteries, energy storage batteries and energy storage systems, covering more than 20 kinds of products, including levels from milliampere-hours to 100 ampere-hours, and the application of solid-state technology to help automobile companies, battery manufacturers, consumer brands complete their energy iterations. At present, the Company's lithium battery business has set up production bases in Dongguan, Ningbo, Suzhou, Xinyu, Huizhou and Chongqing.

(1) Lithium motive power batteries: Ganfeng LiEnergy has mass-produced both pouch cell and prismatic cell platform architectures, with capacities ranging from 10 to 130 kWh. These can be applied to heavy-duty mining trucks, light-duty logistics trucks, buses, sanitation vehicles and other commercial areas, offering advantages such as low cost, high power, high integration, and platformization. According to commercial vehicle usage scenarios, the batteries support ultra-fast charging, with charging power up to 1000 kW, and can charge 100 kWh in just 6 minutes; they also support fixed and mobile power swap stations, with a power swap taking less than 5 minutes, thus facilitating rapid charging and power swap.

(2) Consumer batteries and polymer lithium batteries: Ganfeng LiEnergy has established polymer lithium battery production line in Xinyu, Jiangxi and Huizhou, Guangdong. Currently, it has achieved a production capacity of 130W pieces/day, mainly applied to TWS headset, mobile phones, power banks, laptops, and tablets. Leveraging safe tab welding technology, ultra-long endurance, advanced electron shielding technology and innovative curved patch technology, the polymer lithium batteries of Ganfeng LiEnergy have gained recognition from domestic and international top brands in mobile phones, headsets, and computers. At present, Ganfeng LiEnergy ranks among the top four in mobile phone battery shipments nationwide, second in headset battery shipments, fifth in the small polymer lithium battery industry, and third in the polymer cylindrical battery industry.

(3) Energy storage sector: The 5MWh container energy storage system, newly launched by Ganfeng LiEnergy, employs all-time-domain equalization technology, increasing equalization time by fivefold and achieving highly efficient energy utilization; the battery prefabricated cabin adopts the pack large-module design, with a system efficiency exceeding 95%; the equipment features AC/DC breaking capability and includes safety features such as short-circuit and overcharge protection. The 5MWh standard energy storage cabin utilizes Ganfeng LiEnergy's 314Ah high-capacity and long-life individual cells, which boast stable material systems and maintain high energy efficiency throughout the cycle process, meeting the requirements of various energy storage application scenarios. Ganfeng LiEnergy has participated in several large-scale photovoltaic energy storage projects and undertaken energy projects exceeding 500MWh individually, with a total application scale of over 11,000MWh in both domestic and international markets. In the rankings for domestic and global shipments among China's energy storage enterprises, Ganfeng LiEnergy has consecutively placed in the top ten nationally and globally for two years.

(4) Robot sector: The 324Wh battery pack, developed and produced by Xinyu Ganfeng Electronics, has a nominal voltage of up to 72V and a maximum discharge rate of 7C, supports 1C fast charging, achieves an IP67 waterproof rating, and is equipped with a temperature collection function to ensure the normal operation of terminal devices in various scenarios. Under full production capacity, it can produce 600 sets of robot battery packs per day. The system adopts Ganfeng's self-developed BMS solution, with an SOC accuracy of approximately 3%-5%, performing data collection every 200 milliseconds, achieving automatic calibration during the charging and discharging process. Currently, this series of batteries has been used in products in areas such as quadruped robots and humanoid robots.

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

No.	Production Base	Location	Primary Products	Designed production capacity
1	Huizhou Ganfeng	Huizhou, Guangdong	TWS battery production line, 3C digital polymer lithium battery production line	100 million pieces of polymer lithium battery per year
2	Ganfeng LiEnergy	Xinyu, Jiangxi	Lithium motive power battery, energy storage battery, battery module and PACK system	Lithium iron phosphate battery of 3GWh per year in phase I of the motive power battery project, New lithium battery of 10GWh per year in phase II of the motive power battery project
3	Ganfeng Electronics, Gangfeng New Lithiumion Battery	Xinyu, Jiangxi	Polymer lithium battery specially designed for smart wearable products, TWS wireless Bluetooth headset battery, electronic cigarette lithium battery	Small polymer lithium battery project with 390 million units annual capacity
4	Jiangsu Ganfeng	Suzhou, Jiangsu	Power and energy storage battery pack for industrial vehicles, PACK system	Industrial vehicle power battery system project with an annual output of 100,000 units
5	Huichuang New Energy	Dongguan, Guangdong	PACK system for two-wheeled vehicles, outdoor and household energy storage	4GWh per year battery PACK system
6	Chongqing Ganfeng Power	Chongqing	Power battery PACK system	Power battery system project with an annual output of 6GWh

5. Upstream and downstream integration of solid-state batteries

The Company is the only enterprise in the industry with upstream and downstream integration capabilities for solid-state batteries and has R&D and production capabilities in key aspects of solid-state batteries, such as sulfide electrolyte and raw materials, oxide electrolyte, lithium metal anode, battery cells and battery systems.

(1) Solid-state electrolyte materials: The Company realized mass production of battery-grade lithium sulfide in 2022 and further expanded the scale of production line in 2024. Ganfeng's lithium sulfide products, with main content ≥99.9% and D50≤5 μm, can meet the technical requirements of highly conductive solid-state electrolyte materials by virtue of high purity, low impurity content and excellent homogeneity, and have been supplied to more than 20 downstream customers. The Company led the drafting of the Nonferrous Metals Industry Standards of the People's Republic of China: battery-grade lithium sulfide, which has entered the pre-trial stage. Ganfeng LiEnergy, a subsidiary of the Company, prepared sulfide solid-state electrolyte by adopting Ganfeng's battery-grade lithium sulfide, which can, through process optimization, achieve submicron sulfide electrolyte ultrafine powder (D50<1 μm), with the conductivity reaching 3mS/cm, being the key raw material for all-solid-state batteries. For the oxide route, the Company has realized the development of ultra-high ionic conductivity oxide powder materials in the R&D of key materials for solid-state batteries, with an ionic conductivity at room temperature of 1.7mS/cm of its LLZO solid-state electrolyte and 1.4mS/cm of LATP solid-state electrolyte. The polymer-based solid-state electrolyte membrane has realized a 5V high-voltage resistance, with an ionic conductivity at room temperature of more than 0.5mS/cm and a thickness of less than 30 μm.

(2) Solid-state battery anode materials

In terms of solid-state battery anode, Ganfeng has mass production capacity for its ultra-thin lithium strips and can provide corresponding solutions for various needs such as cycle performance, processability, and electrochemical stability. The Company has realized the mass production of ultra-wide ultra-thin lithium strips with a width of 300mm; the thickness of lithium foil in copper-lithium composite strips can reach 3 μ m. Lithium metal batteries with ultra-thin lithium strips or copper-lithium composite strips as an anode are considered to be the batteries with the most development potential, and the energy density of Ganfeng's solid-state batteries equipped with lithium metal anode can exceed 500Wh/kg.

(3) High-energy-density solid-state battery cells: silicon-carbon anode cells: 320Wh/kg high-energy-density battery cells, with a cycle index of 1,000 turns and a capacity retention rate of over 96% in 4C continuous discharge, can pass the automotive standard GB38031–2020; 400Wh/kg high-energy-density battery cells, which can satisfy a continuous discharge rate of 2C, with a cycle index of 600 turns or more, can pass the automotive standard GB38031–2020; lithium anode cells: 500Wh/kg ultra-high-energy-density battery cells adopts lithium metal anode, and have been produced in a small scale of 10Ah-class.

(4) Application scenario of solid-state batteries: Amid the burgeoning growth of the low-altitude economy, the Company has actively expanded its presence and successfully developed a variety of high-energy-density and high-power flight battery cells as well as power system products, offering diversified solutions for various flight scenarios and requirements. The cell energy density of these products ranges from 320Wh/kg to 500Wh/kg, and they boast excellent performance with a continuous discharge rate of over 5C. These high-performance and highly reliable products meet customer demands and contribute to the soaring development of the low-altitude economy. Ganfeng LiEnergy has reached cooperation with well-known UAV and eVTOL enterprises in the field of high-energy-density batteries for the simultaneous development of a power supply system to meet the market demand and plans to complete the delivery of the first batch of samples in 2025.

6. Energy storage business

In 2024, in response to the national new energy development strategy and to seize the opportunities presented by new energy storage, the Company focused on developing its energy storage business with a dual-wheel drive of "user-side distributed energy storage + grid-side centralized energy storage", aiming to build an energy storage ecosystem that covers the entire industry chain.

Shenzhen Yichu is committed to evolving into an innovative technology enterprise that integrates virtual power plants, a smart operation management platform for the entire lifecycle of new energy power, R&D of smart energy EMS technology and a digital and intelligent operation platform for new energy power. Currently, Shenzhen Yichu has assembled a high-quality, professional R&D team and continuously increased its investment in energy storage technology R&D and project construction. The company utilizes high-safety, long-life and large-capacity energy storage cells. While enhancing the intrinsic safety of the cells, it focuses on R&D and innovation of energy storage system integration technology to continuously increase the energy density of energy storage systems and reduce the entire lifecycle investment costs of energy storage projects. The energy storage battery system, combined with an efficient energy management system and a smart monitoring and maintenance platform, ensures the efficient operation and long-term stable performance of energy storage power stations. Currently, Shenzhen Yichu has seven projects officially under construction, including Pinghe County Lanwei New Energy 200MW/400MWh energy storage power station, Ningxia Xianneng Zhongning County 200MW/400MWh independent energy storage power station project, Weixian Qingyun Fengda 100MW/400MWh energy storage project, Ningxia Baiyang Green Storage 100MW/400MWh shared energy storage power station project, Taizhou Gaogang 150MW/300MWh energy storage power station project, Xingtai Longgang 300MW/1200MWh energy storage power station project, and Shanxi Datong 400MW/800MWh energy storage power station project.

Guangdong Huichu focuses on user-side distributed energy storage, leveraging the Company's network resources, to achieve rapid market penetration in the Pearl River Delta region. As at the end of 2024, Guangdong Huichu had deployed a total of 4,824 distributed energy storage devices, of which 4,353 have been inspected and accepted, and 3,856 are in operation. It plans to expand to 10,000 devices by 2025, combining capital operations to package high-quality assets, deepen electricity sales and virtual power plant businesses, promote the transformation of operational services, and build the Ganfeng Energy Management Platform.

In the future, the Company will rely on the dual-wheel drive of technology R&D and large-scale deployment to continuously promote the transformation and upgrading of energy storage structures, actively expand its investment in and operation of energy storage power stations both domestically and internationally, constantly expand its business layout, and make significant contributions to global energy transition and sustainable development, positioning itself as a leader in the energy storage sector.

7. Battery recycling business

The Company further enhanced the industrialization technology and competitive advantages by developing new processes and technologies for comprehensive recycling of the decommissioned batteries and expanding the capacity of its decommissioned lithium battery recycling business. At present, the Company has built multiple dismantling and regeneration bases in Xinyu, Ganzhou, Jiangxi, Dazhou, Sichuan and other places, achieving an organic combination of resource recycling and business growth. At the technical level, the Company employs internationally leading processes for the recycling and treatment of used batteries, achieving harmless exhaust gas treatment and zero discharge of wastewater; with advanced lithium extraction techniques, valuable metals and lithium compounds are recovered from recycled materials, forming a sustainable development loop for batteries and realizing the circular utilization of resources. Currently, the Company has established the comprehensive recycling and processing capacity of 200,000 tons of decommissioned 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 leading enterprises in the battery recycling industry boasting the largest capacity in recycling lithium iron phosphate batteries and wastes in China and the top three enterprises in terms of comprehensive battery disposal capacity in the industry. In 2024, Recycling Technology deepened cooperation with Nanjing Public to jointly create a lithium battery comprehensive utilization project, promoting the development of an industrial ecosystem for the recycling of waste materials. The project includes production lines such as battery pack dismantling lines, cascade utilization production lines and battery processing lines, and related facilities.

8. “Technological Ganfeng” strategy

Committed to the “technology and innovation driven” high-quality development, the Company possesses national-level research and innovation platforms including “National Enterprise Technology Center”, “National and Local Engineering Research Center for Lithium-based New Materials”, and “National Post-doctoral Research Station” and builds a professional team for promoting scientific and technological innovation and a mature industry-academy-research cooperation mechanism. With technological innovation as its strategic engine, the Company establishs a high-quality development model encompassing the entire chain from “R&D leadership – transformation of results – industrial upgrading”. During the Reporting Period, the Company completed the review of National Enterprise Technology Centre, Provincial Enterprise Technology Centre, Provincial Industrial Design Centre, Provincial Small and Medium-sized Enterprise Public Service Platform, and Key Laboratory of Jiangxi Province. The Company’s three applications for the 2024 Jiangxi Province Industrial Development Special Projects have all been approved. The “Sichuan Ganfeng Decommissioned Battery Intelligent Dismantling and Full-Component Clean and Efficient Recycling Comprehensive Utilization Project” was approved as a central ultra-long government bond project (中央超長期國債項目); Dr. Luo Xiaofeng was recognized as an expert under the National Overseas Talent Recruitment Program for Innovation and Entrepreneurship, Ganfeng Lithium was approved for one project, namely Ganpo Talent Support Program – Academic and Technical Leader of Key Disciplines, and the project “Development and Industrialization of High-specific Solid-State Lithium Batteries – Development of Lithium-rich Manganese-based Anode Materials for Solid-State Lithium Batteries” of Recycling Technology was approved as a major science and technology project in Jiangxi Province; Ganfeng LiEnergy was approved for one project, namely Key R&D Program in Jiangxi Province – Youth Scientist Project, one project, namely Ganpo Talent Support Program in Jiangxi Province – Academic and Technical Leader Cultivationc Project of Key Disciplines, and two projects, namely “Ganpo Talent Plan” – Innovative Leading Talent Project. In 2024, the Company was awarded the title of 2024 Jiangxi Province Science and Technology Leading Enterprise; the Company, Ganfeng LiEnergy, Recycling Technology, Yichun Ganfeng and Fengcheng Ganfeng were certified as national high-tech enterprises; Ganfeng LiEnergy Testing Centre obtained accreditation from the China National Accreditation Service for Conformity Assessment (CNAS).

In 2024, the Company was granted 254 national patents, including 35 invention patents, 193 utility model patents and 18 appearance design patents. As at 31 December 2024, the Company was cumulatively granted 1,080 national patents, including 230 invention patents, 794 utility model patents, 15 software copyrights and 41 appearance design patents.

OUTLOOK

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, gradually collect and develop resources of low-cost resources, such as brine, actively improve the self-sufficiency rate of resources of the Company, and prioritize the development of low-cost lithium resources to further optimize its cost structure for lithium resources. In terms of brine, the Company will proactively advance the ramp-up progress of production capacity of the Mariana lithium salt lake project. The PPG project, as the Company's next important lithium salt lake resource layout in Argentina, will also be developed into a high-quality lithium salt lake project that is environmentally-friendly, low-carbon and low-cost. 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 stable supply from the Mt Marion project in Australia, Pilgangoora project in Australia. Meanwhile, the Company will accelerate the ramp-up progress of production capacity of spodumene project such as Goulamina project in Mali, Africa, to increase the Company's self-sufficiency rate of spodumene. In terms of lepidolite resources, the Inner Mongolia Gabus niobium tantalum mine project under Mengjin Mining will become an important part of the Company's development of lepidolite resources, and the Company will focus on the development of high-quality and low-cost lepidolite projects in the future. 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.

2. Expand the production capacity of treatment and processing facilities

The Company has planned for a series of capacity expansions of its 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:

Project	Location	Capacity planning
Lithium metal and lithium materials project with annual capacity of 7,000 tons	Yichun, Jiangxi Province, China; Qinghai Province, PRC	Investment in the construction of lithium metal and lithium materials project with annual capacity of 7,000 tons in phases, with new lines of lithium metal molten salt electrolysis, vacuum distillation for purification of lithium metal, lithium series alloys and solid-state lithium battery cathode materials
25,000 tons per annum of lithium carbonate project	Shangrao, Jiangxi, PRC	Investment in the construction of 25,000 tons per annum of lithium carbonate project
20,000 tons per annum of lithium carbonate project	Xianghuangqi, Inner Mongolia, PRC	Investment in the construction of 20,000 tons per annum of lithium carbonate project
50,000 tons per annum of lithium hydroxide project	Fengcheng, Jiangxi, PRC	Phase I annual production capacity of 25,000 tons of lithium hydroxide has been completed; Phase II planned annual production capacity of 25,000 tons of lithium hydroxide
50,000 tons per annum of lithium dihydrogen phosphate project	Xinyu, Jiangxi, PRC	投資建設年產能5萬噸磷酸二氫鋰項目 Investment in the construction of 50,000 tons per annum of lithium dihydrogen phosphate project
PPG lithium salt lake project	Salta Province, Argentina	Phase I annual production capacity of 20,000–30,000 tons, forward annual production capacity of 50,000 tons of LCE of lithium salt product

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

The Company will choose to expand its production capacity based on changes of market demands and assessment of future trends of lithium products. The Company plans to build a total lithium product supply capacity of over 600,000 tons of LCE per year by 2030, comprising the production capacity of lithium extracted from ore, lithium extracted from brine, lithium extracted from clay and lithium extracted from decommissioned battery.

3. Develop lithium battery business

The Company actively participates in the research and development of global cutting-edge solid-state battery technology and has acquired 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 BEVs with long duration, and has realized the development, application and industrialization of the solid-liquid hybrid lithium motive power battery with high-specific energy through the joint technical research with the upstream battery material suppliers and production equipment suppliers, downstream new energy vehicle manufacturers and universities. 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, active equalization BMS module technology, high-voltage platform polymer fast charging technology, high-capacity button battery for TWS Bluetooth headset, solid electrolyte diaphragm and full solid-state battery system. The Company is committed to building the most creative lithium intelligent new energy that provides customers with system solutions and quality services characterized by high safety, long life, high cost performance, and endeavor to rank in the first tier of the global lithium battery industry, leading a new era of lithium battery technology innovation.

4. Develop lithium battery recycling business

With increasing demand for decommissioned battery management growing in tandem with the use of automobiles and consumer electronics, the Company's lithium battery recycling business has promising growth potential, further enriching 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 decommissioned lithium batteries and become one of the leading players in lithium battery recycling area across the globe.

5. Further enhance research and development and innovation capabilities

Committed to technological research and development, the Company will capitalize on the advantages of National Postdoctoral Research Station, National Enterprise Technology Center, National Engineering Research Center, Academician Station and other research and development platforms 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 to collaborate 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. Our research and development efforts include:

- development and production of solid electrolytes and anodes for solid-state lithium batteries, and research and development on solid-state lithium batteries;
- recovering and recycling of lithium batteries;
- improvement of production techniques and levelling up automation for existing products;
- customized process and extraction method for lithium raw materials from different types of salt lake brines and lithium clay;
- production of lithium motive power batteries and energy storage Batteries； and
- research and development and market application of lithium dihydrogen phosphate.

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

The Company is positioned as an overall solutions provider to accentuate its role in the development and production process, and deepens 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, speed up production 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 emission so as to achieve sustainable growth.

FINANCIAL REVIEW

1. Overview

During the Reporting Period, the revenue of the Group amounted to RMB18,726,175 thousand, representing a decrease of RMB14,085,842 thousand as compared to RMB32,812,017 thousand in 2023; its gross profit amounted to RMB2,127,125 thousand, representing a decrease of RMB2,415,957 thousand as compared to RMB4,543,082 thousand in 2023. The basic loss per share of the Group amounted to RMB1.03. Major financial indicators of the Group are set out as below:

	2024	2023	Change *(percentage)*
Profitability indicator			
Net profit margin on sales	**-14.0%**	14.1%	-28.1%
Return on investment indicator			
Return on weighted average net assets	**-2.0%**	5.9%	-7.9%

During the Reporting Period, the loss attributable to the owners of the parent for the year amounted to RMB2,068,512 thousand representing a decrease of RMB7,051,059 thousand or 141.5% as compared to the profit attributable to the owners of the parent amounted to RMB4,982,547 thousand in 2023, which was mainly due to the decrease in operating income during the Reporting Period, resulting in a decrease in gross profit, and a significant decrease in investment income from joint ventures.

2. Analysis of revenue and cost

During the Reporting Period, the revenue of the Group was generated from the sales of lithium compounds, lithium metals, lithium battery and other products. Total revenue decreased by RMB14,085,842 thousand from RMB32,812,017 thousand in 2023 to RMB18,726,175 thousand in 2024, which was mainly due to the deep adjustment of the global lithium salt industry during the Reporting Period, the impact of changes in supply and demand patterns, and fluctuations in the carp product market, the sales prices of lithium salts and lithium battery products have fallen.

1) Analysis of principal businesses by products and regions

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

By products:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	RMB'000	*%*	*RMB'000*	*%*
Lithium compound and lithium metal	**11,896,976**	**63.5**	24,372,410	74.3
Lithium battery	**5,835,752**	**31.2**	7,640,821	23.3
Others (1)	**993,447**	**5.3**	798,786	2.4
Total	**18,726,175**	**100**	32,812,017	100

Note (1): Including NCM precursors, Potassium chloride, phosphate ore and other products

By sales regions:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	RMB'000	*%*	*RMB'000*	*%*
Mainland China	**14,485,930**	**77.4**	21,831,668	66.5
Overseas	**4,240,245**	**22.6**	10,980,349	33.5
Total	**18,726,175**	**100**	32,812,017	100

2) Analysis of operating cost by products, regions and nature

By products:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	RMB'000	*%*	*RMB'000*	*%*
Lithium compound and lithium metal	**10,688,387**	**64.4**	21,407,683	75.8
Lithium battery	**5,166,831**	**31.1**	6,374,195	22.5
Others [(1)]	**743,832**	**4.5**	487,057	1.7
Total	**16,599,050**	**100**	28,268,935	100

Note (1): Including NCM precursors, Potassium chloride, phosphate ore and other products

By sale regions:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	RMB'000	*%*	*RMB'000*	*%*
Mainland China	**12,866,433**	**77.5**	18,862,102	66.7
Overseas	**3,732,617**	**22.5**	9,406,833	33.3
Total	**16,599,050**	**100.0**	28,268,935	100

Cost by nature: ：

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	RMB'000	*%*	*RMB'000*	*%*
Raw materials consumed and sold	**13,155,618**	**79.3**	25,526,115	90.3
Payroll	**1,090,116**	**6.6**	905,522	3.2
Depreciation and amortization expenses	**891,232**	**5.4**	561,018	2.0
Fuel and power	**1,186,324**	**7.1**	903,255	3.2
Other expenses	**275,760**	**1.6**	373,025	1.3
Total	**16,599,050**	**100.0**	28,268,935	100.0

3. Gross profit and gross profit margin

During the Reporting Period, the gross profit margin of the Group was 11.4%, representing a decrease of 2.4% as compared with 13.8% in 2023, mainly due to changes in supply and demand patterns and fluctuations in the carp product market, the sales prices of lithium salt and lithium battery products have fallen.

Gross profit and gross profit margin by products:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*
Lithium compound and lithium metal	**1,208,589**	**10.2**	2,964,727	12.2
Lithium battery	**668,921**	**11.5**	1,266,626	16.6
Others [(1)]	**249,615**	**25.1**	311,729	39.0
Total	**2,127,125**	**11.4**	4,543,082	13.8

Note (1): Including NCM precursors, Potassium chloride, phosphate rock and other products

Gross profit and gross profit margin by regions:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*
Mainland China	**1,619,497**	**11.2**	2,969,566	13.6
Overseas	**507,628**	**11.9**	1,573,516	14.3
Total	**2,127,125**	**11.4**	4,543,082	13.8

4. Major customers and suppliers

During the Reporting Period, total sales to the top 5 customers of the Group was RMB4,459,802 thousand (2023: RMB13,590,385 thousand), which accounted for 23.8% of the total sales for the Reporting Period (2023: 41.4%). During the Reporting Period, total purchases from the top 5 suppliers of the Group was RMB5,105,108 thousand (2023: RMB14,489,854 thousand), which accounted for 25.1% of the total purchases for the Reporting Period (2023: 31.2%).

5. Other income and gains

The other income and gains of the Group were mainly composed of government subsidies, income from selling raw materials, interest income from banks and other non-current assets, interest income from joint ventures and associates, dividends and interest income from financial assets measured at fair value with changes recognized in current profit or loss, gain on disposal of investments in associates and income from remeasurement of previously held equity in gradually acquired subsidiaries compared to the previous period. During the Reporting Period, other income and gains of the Group amounted to RMB909,934 thousand, representing a decrease of RMB2,149,633 thousand as compared with RMB3,059,567 thousand in 2023, which was mainly due to the decrease in government subsidies, income from financial assets measured at fair value with changes recognized in current profit or loss, financial assets at fair value through profit or loss and long-term early repayment compensation income during the Reporting Period.

6. Expenses

	For the year ended 31 December 2024 *RMB'000*	For the year ended 31 December 2023 *RMB'000*	Changes %	Explanations on material changes
Selling and distribution expenses	**146,850**	111,599	31.6	Selling and distribution expenses mainly includes employee welfare expenses, warehousing and port expenses, sales commissions, business entertainment expenses, advertising and promotion expenses, travel and office expenses, and other expenses. The increase in this reporting period is mainly due to the increase in sales volume, sales related expenses have increased at the same time.

	For the year ended 31 December 2024 *RMB'000*	For the year ended 31 December 2023 *RMB'000*	Changes %	Explanations on material changes
Administrative expenses	**1,897,622**	2,335,302	-18.7	Administrative expenses mainly including employee welfare expenses, office expenses, travel expenses, agency fees, research and development expenses, and other expenses, as well as asset depreciation and amortization. The decrease in this reporting period is mainly due to the reduction in employee welfare expenses, research and development expenses, decoration expenses, and office expenses
Other expenses	**2,296,891**	2,006,111	14.5	Other expenses mainly includes net fair value losses arising from investments recognized at fair value through profit or loss, costs of raw material sales, impairment losses, exploration expenses, and others. The increase in this reporting period is mainly due to the increase in fair value losses of financial assets measured at fair value with changes recognized in current profit or loss.
Finance costs	**1,090,748**	784,312	39.1	Finance costs mainly includes interest expenses on bank loans, interest expenses on discounted bills, interest expenses on payable bonds, and lease liability expenses. The increase in this reporting period is mainly due to the increase in discounted bills and bank loan interest expenses.

7. Other expenses

For each of the years ended 31 December 2024 and 31 December 2023, the Group recorded other expenses of RMB2,296,891 thousand and RMB2,006,111 thousand, respectively. A detailed breakdown of other expenses is as follows:

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cost of raw materials sold	**92,777**	86,893
Impairment of trade receivables, net	**56,204**	70,324
Impairment of investment in an associate	**83,564**	–
Net loss on disposal of items of property, plant and equipment	**10,339**	5,891
Impairment of property, plant and equipment	**–**	3,072
Write-down of inventories to net realisable value	**339,318**	1,636,391
Loss on disposal of subsidiaries	**–**	2,841
Loss on disposal of financial assets	**6,844**	1,385
Exploration expenditure	**163,697**	68,181
Foreign exchange differences, net	**53,234**	117,580
Fair value losses on financial assets at fair value through profit or loss and derivative financial instruments	**1,482,414**	–
Others	**8,500**	13,553
Total	**2,296,891**	2,006,111

The increase of other expenses during the Reporting Period was mainly due to the increase in fair value losses of financial assets and derivative financial instruments measured at fair value with changes recognized in current profit or loss.

8. Research and development expenses

The research and development expenses of the Group for the Reporting Period amounted to RMB910,700 thousand, representing a decrease of 27.2% as compared to RMB1,250,990 thousand in 2023, and accounting for 4.9% of the Group's revenue, which was mainly due to the impact of the decline in lithium product prices during the Reporting Period, resulting in a decrease in material costs for research and development investment.

9. Cash flows

	For the year ended 31 December 2024 *RMB'000*	For the year ended 31 December 2023 *RMB'000*	Change %	Reason of material change
Net cash flows from operating activities	**5,161,272**	146,481	3,424%	Primarily due to the decrease in cash paid for purchasing goods and receiving services and the reduction of taxes and fees paid during the Reporting Period.
Net cash flows used in investing activities	**(12,241,868)**	(10,183,080)	20%	Primarily due to a decrease in cash received from investment income during the Reporting Period and an increase in cash paid from investments.
Net cash flows from financing activities	**3,446,966**	10,217,611	(66%)	Primarily due to an increase in cash payments for debt repayment during the Reporting Period.

10. Financial position

Non-current assets increased by RMB15,315,918 thousand from RMB63,513,503 thousand as at 31 December 2023 to RMB78,829,421 thousand as at 31 December 2024, which was mainly due to the increase in goodwill formed by business mergers during the Reporting Period, the increase in long-term accounts receivable from related parties, the increase in property, plant and equipment balances, the increase in deferred tax assets and other long-term asset balances.

Current assets decreased by RMB6,181,522 thousand from RMB28,184,398 thousand as at 31 December 2023 to RMB22,002,876 thousand as at 31 December 2024, which was mainly due to a decrease in receivables from related parties during the Reporting Period, a decrease in the balance of debt investments measured at fair value with changes recognized in other comprehensive income, and a decrease in financial assets measured at fair value with changes recognized in current profit or loss.

Current liabilities increased by RMB11,398,620 thousand from RMB20,271,297 thousand as at 31 December 2023 to RMB31,669,917 thousand as at 31 December 2024, which was mainly due to an increase in interest bearing bank and other loan balances, as well as an increase in accounts payable and other payable balances during the Reporting Period.

Non-current liabilities increased by RMB2,463,741 thousand from RMB19,110,742 thousand as at 31 December 2023 to RMB 21,574,483 thousand as at 31 December 2024, which was mainly due the increase in deferred tax liabilities, estimated liabilities and other long-term payables during the Reporting Period.

As at 31 December 2024 and 31 December 2023, net current assets of the Group amounted to RMB-9,667,041 thousand and RMB7,913,101 thousand, respectively, and net assets amounted to RMB47,587,897 thousand and RMB52,315,862 thousand, respectively.

As at 31 December 2024 and 31 December 2023, cash and cash equivalents of the Group amounted to RMB5,641,238 thousand and RMB9,293,732 thousand, respectively.

11. Income tax expenses

During the Reporting Period, income tax of the Group amounted to RMB329,061 thousand, representing a decrease of RMB354,409 thousand as compared to RMB683,470 thousand in 2023, which was mainly due to a decrease in the taxable income during the Reporting Period.

12. Capital expenditure

During the Reporting Period, capital expenditure of the Group was RMB17,467,977 thousand, representing an increase of RMB6,277,274 thousand as compared to RMB11,190,703 thousand in 2023. The Group's capital expenditures mainly consist of additions to property, plant and equipment, investment properties, prepaid land lease payments and intangible assets including those arising from acquisition of a subsidiary.

13. Interest-bearing bank and other borrowings

As at 31 December 2024, bank and other borrowings of the Group amounted to RMB31,237,212 thousand. Bank and other borrowings of the Group that would be due within one year, and due within two to five years amounted to RMB15,912,431 thousand and RMB14,315,655 thousand, respectively. Bank and other borrowings of the Group that would be due in five years or more amounted to RMB1,009,126 thousand. As at 31 December 2024, the Group's outstanding loans included RMB loans and foreign currency loans and approximately 53.03% (31 December 2023: 62.64%) of such outstanding loans were charged at fixed interest rates, with the remaining charged 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 31 December 2024, assets with a total carrying value of RMB1,989,472 thousand of the Group were used as collateral for bank borrowings and other bank facilities, and such assets included pledged deposits of RMB302,871 thousand, debt investment of RMB188,000 thousand, accounts receivable financing of RMB112,633 thousand, non-current assets due within one year of RMB71,884 thousand, other non-current assets of RMB83,732 thousand, other non current financial assets of RMB1,040,352 thousand and other current assets of RMB190,000 thousand. As stated in note 13 to the Consolidated Financial Statement headed "Contingent liabilities", as at 31 December 2024, the ownership of intangible assets amounting to RMB1,375,793 thousand was restricted.

15. Gearing ratio

As at 31 December 2024, the Group's gearing ratio, defined as total liabilities divided by total assets, was 53%, increased by 10% from 31 December 2023.

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

The Group business is located in Mainland China and most transactions are denominated in Renminbi. Most of our assets and liabilities are denominated in RMB, 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.

To deal with the operational risks, the Company has prepared the Foreign Exchange Hedging Management System (《外匯套期保值管理制度》), prescribing that transactions on financial derivatives shall not be conducted purely for profit and shall be carried out with the Group's self-owned funds only. The Board has set an annual cap for the scale of such foreign exchange hedging business and some concrete transactions are made for the moment involving ordinary forward business. The Group will closely monitor our foreign exchange risks and will utilize appropriate financial instruments for hedging purposes when necessary to help reduce foreign exchange risks.

17. Contingent liabilities

As of 31 December 2024, the Group has no significant contingent liabilities other than those disclosed in the updated section on the Sonora project in Mexico during the Reporting Period.

18. Employees and remuneration system

As at 31 December 2024, the Group had a total of 16,460 employees. We have adopted a remuneration structure and incentive scheme which is linked to our Group's performance in order to further motivate our employees.

19. Capital commitments

The Group had the following capital commitments as at 31 December 2024:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Contracted but not produced equipment and machinery	**6,836,908**	4,759,414

20. Share capital

As at 31 December 2024, share capital of the Company is set out as follows:

	Number of issued shares	**Percentage**
A Shares	**1,613,593,699**	80.0%
H Shares	**403,574,080**	20.0%
Total	**2,017,167,779**	100%

21. Trade receivables

Trade receivables decreased by RMB907,702 thousand from RMB4,774,082 thousand as at 31 December 2023 to RMB3,866,380 thousand as at 31 December 2024, which was mainly due to the downward price of lithium compound, which resulted in the smaller amount of trade receivables with similar sales volume during the Reporting Period.

22. Significant Investments

As at 31 December 2024, the Group did not have any significant investment which exceeded 5% of the Group's total assets as at 31 December 2024.

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

Subscription of no less than 14.8% equity interest in Proyecto Pastos Grandes S.A.

At the 74th meeting of the fifth session of the Board held on 5 March 2024, the Resolution in relation to the subscription of no less than 14.8% equity interest of Proyecto Pastos Grandes S.A. in Argentina involving mining rights investment and related-party transaction was considered and passed, and it was agreed that the Company or its controlled subsidiary intend to subscribe for no less than 14.8% equity interest of Proyecto Pastos Grandes S.A. at a price of no more than USD70 million with its own funds. Upon completion of the transaction, the Company will hold no less than 14.8% equity interest of Proyecto Pastos Grandes S.A. As of the date of this announcement, the Group completed the transaction, and immediately following the completion of the transaction, the Group held 14.8% equity interests in Proyecto Pastos Grandes S.A. For further details, please refer to the overseas regulatory announcements of the Company dated 5 March 2024 and 16 August 2024.

Acquisition of 40% equity interest in Mali Lithium B.V.

On 7 May 2024 (after trading hours), GFL International Co., Limited ("**GFL International**"), a wholly owned subsidiary of the Company, Leo Lithium Limited ("**Leo Lithium**"), the Company and Mali Lithium B.V. ("**Mali Lithium**") entered into a sale and purchase agreement (the "**40% Acquisition Agreement**"), pursuant to which GFL International agreed to buy and Leo Lithium agreed to sell 40% of the entire issued shares of Mali Lithium by its own working capital at a consideration of no more than USD342.7 million (the "**40% Acquisition**").

Upon completion of the 40% Acquisition, GFL International would hold the entire issued shares of Mali Lithium, and Mali Lithium would be accounted as an indirectly wholly-owned subsidiary of the Company and its financial results would be consolidated into the consolidated financial statement of the Company.

The consideration for the 40% Acquisition was determined with reference to the valuation of the Goulamina Project conducted by the Company (the "**Valuation**"). The Company made reference to (i) the comparison of the then recent market valuation of comparable projects/comparable listed companies and private companies involved in spodumene projects (the "**Comparable(s)**") and (ii) a discount, being the price difference between the consideration for the 40% Acquisition and the Valuation, due to the fact that the Goulamina Project had not yet been put into operation while the Comparables were well-developed spodumene projects. For the details of the Valuation, please refer to the section headed "BASIS OF CONSIDERATION – The Valuation" of the announcement of the Company dated 7 May 2024.

Taking into account that (i) the Goulamina Project had not yet been put into operation at the time of entering into the 40% Acquisition Agreement, (ii) the fall in the price of lithium related materials during 2023, (iii) the risk arising from the rights of Mali government to hold 10% to 35% of the equity interest in Lithium du Mali SA, a wholly-owned subsidiary of Mali Lithium which owns the entire share of the Goulamina Project, and (iv) the envisaged difficulty in the development of the Goulamina Project, the Company considered that the price difference between the consideration for the 40% Acquisition and the Valuation would be sufficient to accommodate the risk arising from the Goulamina Project.

Further, the terms of the 40% Acquisition Agreement were determined based on arm's length negotiation between GFL International, Leo Lithium, Mali Lithium, Mali LMSA and the Company. The Company was of the view that the terms of the 40% Acquisition Agreement were fair and reasonable and the 40% Acquisition was in the interest of the Company and its shareholder as a whole given the price difference between the consideration for the 40% Acquisition and the Valuation.

For further details in relation to the 40% Acquisition, please refer to the announcement of the Company dated 7 May 2024.

Entering into the equity interest transfer agreement with Mali government

At the 86th meeting of the fifth session of the Board held on 5 December 2024, the Resolution in relation to the entering into the equity interest transfer agreement with the Mali Government was considered and passed, it was agreed that GFL International Co., Limited, the wholly-owned subsidiary of the Company, Lithium du Mali SA ("**LMSA**") and the Republic of Mali ("**Mali**") enter into the equity interest transfer agreement. The Company will transfer 35% equity interest in LMSA to the Mali government, of which 10% equity interest in LMSA will be received by Mali government free of charge according to the relevant provisions of the Mali national mining laws. The Mali government will acquire the rest of the 25% equity interest in LMSA from the Company for a transaction price of 20 billion FCFA (approximately USD32 million). At the same time, the Company, LMSA, and related companies will enjoy investment incentive policies granted by the Mali government. The Mali government will actively support the development and construction of the second phase of the Goulamina spodumene project. For further details, please refer to the overseas regulatory announcement of the Company dated 5 December 2024.

Profit distribution

The Board proposed to distribute cash dividend of RMB1.5 (tax inclusive) for every 10 shares to all Shareholders based on the total share capital of the Company as at the record date of shareholding, and without conversion of capital reserve into share capital. If the total share capital of the Company changes during the period from the promulgation to implementation of the annual profit distribution plan, the aggregate distribution will be adjusted based on the total share capital as at the record date of shareholding as determined by the implementation of the annual profit distribution plan, with the distribution ratio unchanged. This cash dividend distribution plan is subject to the approval of the Shareholders at the annual general meeting (the "**AGM**"), the Company shall distribute the dividend within two months after the date of the AGM. A circular of H shares containing, among others, further information in respect of the AGM and the cash dividend will be dispatched to the Shareholders as soon as practicable. Eligibility for receiving the cash dividend will be specified in the circular.

Dividends for the holders of A Shares and the holders of H Shares through the Southbound Trading Link (the "**Southbound Shareholders**") will be paid in RMB, and dividends for our holders of H Shares other than the Southbound Shareholders will be paid in Hong Kong dollars. The relevant exchange rate will be the average of the midpoint rates of RMB to Hong Kong dollars as announced by the People's Bank of China for the week prior to the date of approval of declaration of dividends by the AGM. The arrangements concerning the record date for entitlement to the Shareholders' rights for Southbound Shareholders are the same as those for the holders of H Shares.

Tax on dividends

According to the Enterprise Income Tax Law of the PRC《(中華人民共和國企業所得稅法》) and its implementation regulations (the "**EIT Law**"), the tax rate of the enterprise income tax applicable to the income of a non-resident enterprise deriving from the PRC is 10%. For this purpose, any H shares registered under the name of non-individual enterprise, including the H shares registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organisations or entities, shall be deemed as shares held by non-resident enterprise shareholders (as defined under the EIT Law). The Company will distribute the dividend to those non-resident enterprise shareholders subject to a deduction of 10% enterprise income tax withheld and paid by the Company on their behalf.

Any resident enterprise (as defined under the EIT Law) which has been legally incorporated in the PRC or which was established pursuant to the laws of foreign countries (regions) but has established effective administrative entities in the PRC, and whose name appears on the Company's H share register should deliver a legal opinion ascertaining its status as a resident enterprise furnished by a qualified PRC lawyer (with the official chop of the law firm issuing the opinion affixed thereon) and relevant documents to Company's H share register, Computershare Hong Kong Investor Services Limited, in due course, if they do not wish to have the 10% enterprise income tax withheld and paid on their behalf by the Company.

Pursuant to the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guoshuifa (1993) No. 045 Document (《關於國稅發(1993) 045號文件廢止後有關個人所得稅徵管問題的通知》) (the "**Notice**") issued by the State Administration of Taxation on 28 June 2011, the dividend to be distributed by the PRC non-foreign invested enterprise which has issued shares in Hong Kong to the overseas resident individual shareholders, is subject to the individual income tax with a tax rate of 10% in general. However, the tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between the countries of their residence and the PRC. Thus, 10% individual income tax will be withheld from the dividend payable to any individual shareholders of H Shares whose names appear on the H share register of members of the Company on the record date, unless otherwise stated in the relevant taxation regulations, tax treaties or the Notice.

The Company assumes no responsibilities whatsoever in respect of and will not entertain for any claim arising from any delay in, or inaccurate determination of the status of the Shareholders or any disputes over the mechanism of withholding.

Profit distribution to investors of northbound trading

For investors of the Stock Exchange (including enterprises and individuals) investing in the A shares of the Company listed on the SZSE (the "**Northbound Trading**"), their dividends will be distributed in RMB by the Company through the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Northbound Trading will be the same as those for the holders of A shares of the Company.

Profit distribution to investors of southbound trading

For investors of the Shanghai Stock Exchange and SZSE (including enterprises and individuals) investing in the H shares of the Company listed on the Stock Exchange (the "Southbound Trading"), the cash dividends for the investors of H shares of Southbound Trading will be paid in RMB. The record date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the holders of H shares of the Company. As for the relevant taxation policies, pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81)《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知((財稅[2014]81號)》) and the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen- Hong Kong Stock Connect (Caishui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2016]127號)》), for dividends received by domestic individual investors from investing in the H shares of the Company listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the Company shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in the H shares of the Company listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The Company will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Shareholders are advised to consult their tax consultants regarding the tax impacts in the PRC, Hong Kong and other countries (regions) for holding and selling the Company's shares.

Changes to Information on Directors, Supervisors, Chief Executive and Senior Management

During the Reporting Period, the changes of information of the Directors, Supervisors and senior management of the Company are as follows:

Name	Position held	Type	Date
Shen Haibo	Vice-President	Resignation	5 March 2024
Li Chenglin	Vice-President	Appointment	5 March 2024
Wang Bin	Vice-President	Appointment	5 March 2024
Yang Juan	Non-executive Director	Resignation	15 July 2024

Name	Position held	Type	Date
Luo Rong	Non-executive Director	Appointment	13 August 2024
Wong Sze Wing	Independent non-executive Directors	Retirement	13 August 2024
Wong Ho Kwan	Independent non-executive Directors	Appointment	13 August 2024

On July 5, 2024, the Company received the Written Decision on Administrative Penalty ([2024] No. 2) (《行政處罰決定書》([2024]2號)) (the "**Written Decision**") issued by the Jiangxi Supervision Bureau (the "**Supervision Bureau**") of the China Securities Regulatory Commission (the "**CSRC**").

Further to the issue of the Notice on December 6, 2022, at the request of Mr. Li, a hearing had been held on January 4, 2023 to hear from the relevant parties and their respective representatives to state and defend the case. Subsequent to the hearing, the Supervision Bureau conducted additional investigations and invited the parties to re-examine the papers. The parties submitted additional defense. Thereafter, the Supervision Bureau concluded its investigation and the hearing.

As stated in the Written Decision, the Supervision Bureau is of the opinion that the Company is suspected of violating the provisions of Article 53(1) of the Securities Law and the relevant acts constitute insider trading as described in Article 191(1) of the Securities Law.

Based on the facts, nature, circumstances, degree of social harm of the illegal acts of the parties involved, and in accordance with Article 191(1) of the Securities Law, the Supervision Bureau decided to issue a warning to Mr. Li, and impose a fine of RMB600,000.

Mr. Li confirmed to the Company that save as disclosed above, there is no other information relating to him that is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and Mr. Li is not aware of any other matters that need to be brought to the attention of the shareholders of the Company.

Save as disclosed above, as far as known to the Company, during the Reporting Period, there were no changes to information that were required to be disclosed by the Directors, Supervisors and chief executives pursuant to Rule 13.51B(1) of the Listing Rules.

Connected Transactions

During the Reporting Period, the Group did not have any connected transactions required to be disclosed under the Hong Kong Listing Rules and were in compliance with the provisions of Chapter 14A of the Hong Kong Listing Rules.

Other Significant Events During the Reporting Period

Updates on Sonora Project in Mexico

In January 2024, three controlled-subsidiaries of the Company incorporated in Mexico (the "**Mexican Subsidiaries**") filed the annulment claims with the Federal Court of Administrative Justice in Obregón, Sonora City ("**TFJA**") against the cancellation of nine lithium mine concessions. The legal counsels of the Company stated that the decision made by the Secretary of Economy in Mexico ("**Secretary of Economy**") to maintain the mining concessions' cancellations decision issued by the DGM is not the final outcome under Mexican law, and the TFJA will make its final decision. The legal counsels of the Company believe that the annulment claim filed by the Mexican Subsidiaries based on Mexican law, analogous precedent, and factual evidence may lead them to prevail before a neutral court, but they are still unable to make a judgment on the final outcome of the annulment claim.

In May 2024, Ganfeng International Trading (Shanghai) Co., Ltd., Bacanora Lithium Limited and Sonora Lithium Ltd., the controlled subsidiaries of the Company, initiated an arbitration proceeding before the International Centre for Settlement of Investment Disputes ("**ICSID**") in respect of a series of laws, regulations, and related measures issued by Mexico, which effectively nationalized lithium resources, impacted the operation of the project, and resulted in the cancellation of the mineral concessions held by the Mexican Subsidiaries. Recently, the Company received an email from ICSID confirming that the arbitration case has been officially registered, and ICSID has published relevant information about the arbitration on its official website. As of the date of this announcement, the Secretary General of ICSID has registered the arbitration. The next step is to constitute the tribunal and to brief the tribunal on the parties' respective positions in written and oral phases. The hearing has not yet taken place and no decisions have been issued. The hearing of the arbitration has not yet taken place and there is uncertainty in the decisions of arbitration and the actual amount of compensation. The Board will actively pay attention to the progress of the matter and fulfil its information disclosure obligations in a timely manner.

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

On 4 June 2021, the adoption of a share option incentive scheme (the "**2021 Share Option Incentive Scheme**") was approved at the annual general meeting of the Company. Further particulars of the adoption of the Share Option Incentive Scheme 2021 are included in the circular of the Company dated 28 April 2021. On 7 June 2021, the Board approved the resolution on the adjustments to the matters relating to the Share Option Incentive Scheme 2021 and the resolution on the grant of share options to the participants of the Share Option Incentive Scheme 2021. The Company adjusted the number of participants of the Share Option Incentive Scheme 2021 from 407 to 404 persons and granted share options to the participants. The total number of share options granted was adjusted from 15.794 million to 15.754 million.

1. The purpose of the 2021 Share Option Incentive Scheme: in order to further establish and improve the Company's long-term incentive mechanism, attract and retain outstanding employees, fully motivate the mid-level and senior management and core technical or business personnel of the Company, effectively align the interests of Shareholders, the Company and the key individuals, and bring their attention to the Company's long-term development.

2. Date of grant: 7 June 2021.

3. Number of grant: 15.754 million.

4. Number of participants of grant: 404.

5. The maximum entitlement of each participant under the 2021 Share Option Incentive Scheme: no more than 11,492,116 A Shares, representing 1% of the relevant class of securities in issue when the 2021 Share Option Incentive Scheme was approved in the relevant annual general meeting and the class meetings.

6. The arrangement of validity period, vesting period and exercise period of the share option incentive scheme:

   (1) The validity period of the share option incentive scheme shall commence from the date of the grant of the share options and end on the date on which all the share options granted to the participants have been exercised or repurchased and cancelled, which shall not be longer than 60 months.

   (2) The vesting period for the share options under the share option incentive scheme shall commence from the date of grant of the share options and end on the first exercisable date of the share options. The vesting periods of the share options are 12 months, 24 months, 36 months and 48 months, respectively. During the vesting periods, the share options which are granted to the participants shall not be transferred, pledged for guarantees or used for repayment of debt.

(3) The share options granted to the participants can be exercised after expiry of 12 months commencing from the date of the grant, subject to the consideration and approval of the share option incentive scheme at the 2020 annual general meeting and the class general meetings. The exercisable date must be a trading day and shall not fall within any of the following periods:

(i) the period commencing on 30 days prior to the announcements of periodic reports of the Company, or in the event of postponement in publishing the periodic reports for special reasons, 30 days prior to the original announcement date and ending on one day prior to the actual announcement date;

(ii) the period commencing on 10 days prior to the announcements of results forecast and preliminary results of the Company;

(iii) the period commencing on the date of the occurrence of material events that may have significant impacts on trading price of Shares and derivatives of the Company, or the date of entering into the decision-making process, and ending on two trading days after such events have been lawfully disclosed; and

(iv) other periods prescribed by the China Securities Regulatory Commission and SZSE.

During the exercise period, the participants are able to exercise the share options according to the following exercising arrangement upon the fulfillment of the exercise conditions for the share options granted under the share option incentive scheme.

The exercise periods of the share options granted under the share option incentive scheme and timetable for each exercise are set out below:

Exercise arrangement	**Exercise time**	**Exercise proportion**
First exercise period	Commencing from the first trading day upon the expiry of 12 months from the grant date to the last trading day upon the expiry of 24 months from the grant date	25%

Exercise arrangement	Exercise time	Exercise proportion
Second exercise period	Commencing from the first trading day upon the expiry of 24 months from the grant date to the last trading day upon the expiry of 36 months from the grant date	25%
Third exercise period	Commencing from the first trading day upon the expiry of 36 months from the grant date to the last trading day upon the expiry of 48 months from the grant date	25%
Fourth exercise period	Commencing from the first trading day upon the expiry of 48 months from the grant date to the last trading day upon the expiry of 60 months from the grant date	25%

Share options for which exercise conditions are not fulfilled during the above agreed period shall not be exercised or deferred to be exercised during the next exercise period, and the Company shall cancel the underlying share options of the participants according to the principle stipulated in the share option incentive scheme. After the end of each exercise period of the share options, the share options of the participants for the current period that have not been exercised shall be terminated and cancelled by the Company.

7. No payment is required on application or acceptance of the share options under the 2021 Share Option Incentive Scheme.

8. The basis of determining the exercise price of the share options is as follows:

   (1) The exercise price of the share options is RMB96.28 per A Share for the grant (i.e. upon the fulfillment of the exercise conditions of the share options, the participants are able to purchase the A Shares issued by the Company to the participants at the price of RMB96.28 per A Share).

(2) The exercise price of the share options for the grant shall not be lower than the nominal value of the Shares, and not lower than the higher of:

(i) the average trading price of A Shares of the Company on the last trading day preceding the date of the announcement of the 2021 Share Option Incentive Scheme (the total transaction value of A Shares on the last trading day/the total trading volume of A Shares on the last trading day), being RMB94.73 per A Share; and

(ii) the average trading price of A Shares of the Company for the last 20 trading days preceding the date of announcement of 2021 Share Option Incentive Scheme (the total transaction value of A Shares for the last 20 trading days/the total trading volume of A Shares for the last 20 trading days), being RMB96.28 per A Share.

9. Cancellation of share options

The date of the grant of the share options (the "**2021 Share Options**") under the 2021 Share Option Incentive Scheme was 7 June 2021. Given that 12 participants under the 2021 Share Option Incentive Scheme ("**2021 Participants**") resigned due to personal reasons, the Company decided to cancel the qualification of the abovementioned 2021 Participants, representing 329 thousand units of 2021 Share Options in total. The Company convened the 60th meeting of the fifth session of the Board, at which the adjustments to the 2021 Share Options were made in accordance with the authorizations delegated to the Board at the 2020 annual general meeting and the class meetings. After such adjustments, the number of 2021 Participants is adjusted from 388 to 376. 5,322.2 thousand units of 2021 Share Options that have not been exercised during the second exercise period were cancelled by the Company during the Reporting Period.

Save as disclosed information above, no share options granted under the 2021 Share Option Incentive Scheme had lapsed nor been cancelled.

Details of the movement in the 2021 Share Options of the 2021 Share Option Incentive Scheme during the Reporting Period are set out in the table below:

Name	Position(s)	As at 31 December 2023 *(0'000 A Shares)*	Granted during the Reporting Period *(0'000 A Shares)* *(Note 6)*	Exercised during the Reporting Period *(0'000 A Shares)* *(Note 2)*	Cancelled during the Reporting Period *(0'000 A Shares)* *(Note 3)*	Lapsed during the Reporting Period *(0'000 A Shares)*	As at 31 December 2024 *(0'000 A Shares)* *(Note 4)*
Deng Zhaonan	Executive Director	21.00	–	–	7.00	–	14.00
Shen Haibo	Executive Director	21.00	–	–	7.00	–	14.00
Ouyang Ming	Vice president	21.00	–	–	7.00	–	14.00
Xu Jianhua	Vice president	21.00	–	–	7.00	–	14.00
Huang Ting	Vice president and financial director	9.45	–	–	3.15	–	6.30
Fu Lihua	Vice president	15.75	–	–	5.25	–	10.50
Xiong Xunman	Vice president	15.75	–	–	5.25	–	10.50
Luo Guanghua	Vice president	8.40	–	–	2.8	–	5.60
Wang Bin	Vice president	10.50	–	–	3.50	–	7.00
Ren Yuchen	Secretary of the Board	7.35	–	–	2.45	–	4.90
Core management and core technical (business) personnel		1,446.35	–	–	514.72	–	931.63
Total		1,597.55	–	–	565.12	–	1,032.43

Notes:

1. The 2021 Share Options were granted on 7 June 2021 at an exercise price of RMB96.28 per unit. The closing price of the A Shares immediately before the date of grant (being 4 June 2021) was RMB92.11. On 1 July 2022, the Company adjusted the number and exercise price of the 2021 Share Options granted but had not yet been exercised. The exercise price of the 2021 Share Options was adjusted from RMB96.28 per unit to RMB68.771 per unit.

2. No 2021 Share Options have been exercised during the Reporting Period.

3. The exercise price of the cancelled 2021 Share Options is RMB68.771 per unit.

4. As at 31 December 2024, the Company had a total of 10,324,300 outstanding 2021 Share Options, of which:

   a. 5,162,150 2021 Share Options had been vested and are exercisable; and

   b. 5,162,150 2021 Share Options shall be vested and exercisable during the period commencing 7 June 2025 and ending on 6 June 2026.

   Therefore, as at 31 December 2024, the total number of Shares available for issue under the 2021 Share Option Incentive Scheme was 10,324,300 (options had been granted and were outstanding), representing approximately 0.5118% of the Shares in issue as at 31 December 2023. The remaining life of the 2021 Share Option Incentive Scheme is approximately two years.

5. Pursuant to the rules of the 2021 Share Option Incentive Scheme, no further share options would be granted pursuant to the scheme mandate. Hence, the number of options available for grant under the scheme mandate at the beginning and the end of the Reporting Period are both zero.

6. No 2021 Share Options have been granted during the Reporting Period.

The 2022 Share Option Incentive Scheme

On 25 August 2022, a share option incentive scheme (the "**2022 Share Option Incentive Scheme**") was approved at the extraordinary general meeting of the Company. Further details of the 2022 Share Option Incentive Scheme are included in the circular of the Company dated 5 August 2022. On 5 September 2022, the Board approved the resolution on the adjustments to the matters relating to 2022 Share Option Incentive Scheme of the Company and the resolution on the grant of share options to the participants of the 2022 Share Option Incentive Scheme. The Company adjusted the number of participants of the share option incentive scheme from 113 to 110 persons and granted share options to the participants. The total number of share options granted was adjusted from 2.17 million to 2.065 million.

Pursuant to the relevant provisions of the 2022 Share Option Incentive Scheme, in the event of any capitalization issue, bonus issue or share subdivision prior to the exercise of the share options, the Company shall adjust the exercise price of the share options accordingly. Due to the issuance of the Bonus Issue, the exercise price and number of share options initially intended to be granted under the 2022 Share Option Incentive Scheme were adjusted. The exercise price of the share options was adjusted from RMB118.86 per unit (A share) to RMB84.90 per unit (A share), while the number of share options was adjusted from 2.065 million to 2.891 million. On 5 September 2022, 2.891 million share options (representing 2.891 million A Shares which may be issued upon exercise of all such share options) were granted to 110 participants under the 2022 Share Option Incentive Scheme at an exercise price of RMB84.90 per A Share. The summary of the 2022 Share Option Incentive Scheme are as follows:

1. The purpose of the 2022 Share Option Incentive Scheme: in order to further establish and improve the Company's long-term incentive mechanism, attract and retain outstanding employees, fully motivate the core management and core technical or business personnel of the Company, effectively align the interests of Shareholders, the Company and the key individuals, and bring their attention to the Company's long-term development.

2. Date of grant: 5 September 2022.

3. Number of grant: 2.891 million.

4. Number of participants of grant: 110.

5. The maximum entitlement of each participant under the 2022 Share Option Incentive Scheme: no more than 16,131,456.89 A Shares, representing 1% of the relevant class of securities in issue when the 2022 Share Option Incentive Scheme was approved in the relevant extraordinary general meeting and the class meetings.

6. The arrangement of validity period, vesting period and exercise period of the 2022 Share Option Incentive Scheme:

   (1) The validity period of the 2022 Share Option Incentive Scheme shall commence from the date of the grant of the Share Options and end on the date on which all the Share Options granted to the Participants have been exercised or repurchased and cancelled, which shall not be longer than 60 months.

   (2) The Vesting Period for the Share Options under the 2022 Share Option Incentive Scheme shall commence from the date of grant of the Share Options and end on the Exercisable Date of the Share Options. The Vesting Periods of the Share Options are 12 months, 24 months, 36 months and 48 months, respectively. During the Vesting Periods, the Share Options which are granted to the Participants shall not be transferred, pledged for guarantees or used for repayment of debt.

(3) The Share Options granted to the Participants can be exercised after expiry of 12 months commencing from the date of the grant, subject to the consideration and approval of the 2022 Share Option Incentive Scheme at the EGM and the Class Meetings. The Exercisable Date must be a trading day and shall not fall within any of the following periods:

(i) the period commencing on 30 days prior to the announcements of periodic reports of the Company, or in the event of postponement in publishing the periodic reports for special reasons, 30 days prior to the original announcement date and ending on one day prior to the actual announcement date;

(ii) the period commencing on 10 days prior to the announcements of results forecast and preliminary results of the Company;

(iii) the period commencing on the date of the occurrence of material events that may have significant impacts on trading price of Shares and derivatives of the Company, or the date of entering into the decision-making process, and ending on two trading days after such events have been lawfully disclosed; and

(iv) other periods prescribed by the China Securities Regulatory Commission and SZSE.

During the Exercise Period, the Participants are able to exercise the Share Options according to the following exercising arrangement upon the fulfillment of the Exercise Conditions for the Share Options granted under the 2022 Share Option Incentive Scheme.

The Exercise Period of the Share Options granted under the 2022 Share Option Incentive Scheme and timetable for each Exercise are set out below:

Exercise arrangement	**Exercise time**	**Exercise proportion**
First exercise period	Commencing from the first trading day upon the expiry of 12 months from the grant date to the last trading day upon the expiry of 24 months from the grant date	25%
Second exercise period	Commencing from the first trading day upon the expiry of 24 months from the grant date to the last trading day upon the expiry of 36 months from the grant date	25%

Exercise arrangement	Exercise time	Exercise proportion
Third exercise period	Commencing from the first trading day upon the expiry of 36 months from the grant date to the last trading day upon the expiry of 48 months from the grant date	25%
Fourth exercise period	Commencing from the first trading day upon the expiry of 48 months from the grant date to the last trading day upon the expiry of 60 months from the grant date	25%

Share Options for which Exercise Conditions are not fulfilled during the above agreed period shall not be exercised or deferred to be exercised during the next Exercise Period, and the Company shall cancel the underlying Share Options of the Participants according to the principle stipulated in the 2022 Share Option Incentive Scheme. After the end of each Exercise Period of the Share Options, the Share Options of the Participants for the current period that have not been exercised shall be terminated and cancelled by the Company.

7. No payment is required on application or acceptance of the share options under the 2022 Share Option Incentive Scheme.

8. The basis of determining the exercise price of the share options is as follows:

(1) The exercise price of the share options is RMB118.86 per A Share for the grant (i.e. upon the fulfillment of the exercise conditions of the share options, the participants are able to purchase the A Shares issued by the Company to the participants at the price of RMB118.86 per A Share).

(2) The exercise price of the share options for the grant shall not be lower than the nominal value of the Shares, and not lower than the higher of:

(i) the average trading price of A Shares of the Company on the last trading day preceding the date of the announcement of the 2022 Share Option Incentive Scheme(the total transaction value of A Shares on the last trading day/the total trading volume of A Shares on the last trading day), being RMB118.86 per A Share; and

(ii) the average trading price of A Shares of the Company for the last 20 trading days preceding the date of announcement of 2022 Share Option Incentive Scheme (the total transaction value of A Shares for the last 20 trading days/the total trading volume of A Shares for the last 20 trading days), being RMB110.16 per A Share.

9. Cancellation of share options

The date of the grant of the share options (the "**2022 Share Options**") under the 2022 Share Option Incentive Scheme was 5 September 2022. As 105 Participants have reached the performance requirements at individual level and have fulfilled the conditions for the exercising of the first tranche of Share Options granted for the first Exercise Period. The number of Participants was adjusted from 110 to 105. Given that 3 participants under the 2022 Share Option Incentive Scheme ("**2022 Participants**") resigned due to personal reasons, the Company decided to cancel the qualification of the abovementioned 2022 Participants, representing 157.5 thousand units of 2022 Share Options in total. The Company convened the 83rd meeting of the fifth session of the Board, at which the adjustments to the 2022 Share Options were made in accordance with the authorizations delegated to the Board at the extraordinary general meeting and the class meetings. After such adjustments, the number of 2022 Participants is adjusted from 105 to 102. 675.5 thousand units of 2022 Share Options that have not been exercised during the first exercise period will be cancelled by the Company.

During the Reporting Period, save as disclosed information above, no share options granted under the 2022 Share Option Incentive Scheme had lapsed nor been cancelled.

Details of the movement in the 2022 Share Options of the 2022 Share Option Incentive Scheme during the Reporting Period are set out in the table below:

Position(s)	**As at 31 December 2023** *(0'000 A Shares)*	**Granted during the Reporting Period** *(0'000 A Shares)* *(Note 6)*	**Exercised during the Reporting Period** *(0'000 A Shares)* *(Note 2)*	**Cancelled during the Reporting Period** *(0'000 A Shares)* *(Note 3)*	**Lapsed during the Reporting Period** *(0'000 A Shares)*	**As at 31 December 2024** *(0'000 A Shares)* *(Note 4)*
Core management and core technical or business personnel	270.20	–	–	83.3	–	186.9
Total	270.20	–	–	83.3	–	186.9

Notes:

1. The 2022 Share Options were granted on 5 September 2022 at an exercise price of RMB84.90 per unit. The closing price of the A Shares immediately before the date of grant (being 2 September 2022) was RMB82.86.

2. No 2022 Share Options have been exercised during the Reporting Period.

3. The exercise price of the cancelled 2022 Share Options is RMB82.86 per unit.

4. As at 31 December 2024, the Company had a total of 1,869,000 outstanding 2022 Share Options, of which:

   a. 623,000 units of the 2022 Share Options shall be vested and exercisable during the period commencing 5 September 2024 and ending on 4 September 2025;

   b. 623,000 units of the 2022 Share Options shall be vested and exercisable during the period commencing 5 September 2025 and ending on 4 September 2026; and

   c. 623,000 units of the 2022 Share Options shall be vested and exercisable during the period commencing 5 September 2026 and ending on 4 September 2027.

   Therefore, as at 31 December 2024, the total number of Shares available for issue under the 2022 Share Option Incentive Scheme was 1,869,000 (options had been granted and were outstanding), representing approximately 0.0927% of the Shares in issue as at 31 December 2024. The remaining life of the 2022 Share Option Incentive Scheme is approximately three years.

5. Pursuant to the rules of the 2022 Share Option Incentive Scheme, no further share options would be granted pursuant to the scheme mandate.

6. No 2022 Share Options have been granted during the Reporting Period.

Grant of Restricted Share Units (the "RSUs") under the Restricted Share Unit Scheme (the "RSU Scheme")

References are made to the supplemental circular of the Company dated 26 May 2022 and the poll results announcement of the Company dated 15 June 2022 in relation to the adoption of the RSU Scheme, which was approved by the Shareholders at the annual general meeting of the Company held on 15 June 2022.

On 12 July 2023, RSUs with 3,470,000 underlying H Shares (the "**2023 Grant**") were granted to 72 Eligible Persons of the RSU Scheme selected by the Board or its delegatee in accordance with the rules of the RSU Scheme (the "**2023 Selected Participants**"). The 2023 Selected Participants comprise 4 connected persons and 68 independent third parties of the Company and its connected persons (as defined under the Hong Kong Listing Rules) with 410,000 underlying H Shares and 3,060,000 underlying H Shares granted, respectively. The underlying H Shares under the 2023 Grant accounts for approximately 0.86% of the then total number of issued H Shares and approximately 0.17% of the then total issued share capital of the Company as of the date of the 2023 Grant. The closing price of the H Shares immediately before the day on which the 2023 Grant was made (i.e. 11 July 2023) was HKD51.50.

On 19 January 2024, RSUs with 1,500,000 underlying H Shares (the "**2024 First Grant**") were granted to 4 Eligible Persons of the RSU Scheme selected by the Board or its delegatee in accordance with the rules of the RSU Scheme (the "**2024 First Selected Participants**"). The 2024 First Selected Participants are 4 connected persons of the Company with 1,500,000 underlying H Shares granted. The underlying H Shares under the 2024 First Grant accounts for approximately 0.37% of the then total number of issued H Shares and approximately 0.07% of the then total issued share capital of the Company as of the date of the 2024 First Grant. The closing price of the H Shares immediately before the day on which the 2024 First Grant was made (i.e. 18 January 2024) was HKD25.35.

On 10 July 2024, RSUs with 350,000 underlying H Shares (the "**2024 Second Grant**") were granted to 2 Eligible Persons of the RSU Scheme selected by the Board or its delegatee in accordance with the rules of the RSU Scheme (the "**2024 Second Selected Participants**"). The 2024 Second Selected Participants are 2 independent third parties of the Company and its connected persons (as defined under the Hong Kong Listing Rules) with 350,000 underlying H Shares granted. The underlying H Shares under the 2024 Second Grant accounts for approximately 0.09% of the then total number of issued H Shares and approximately 0.02% of the then total issued share capital of the Company as of the date of the 2024 Second Grant. The closing price of the H Shares immediately before the day on which the 2024 Second Grant was made (i.e. 9 July 2024) was HKD15.48.

The summarized rules of the RSU Scheme are as follows:

1. The purposes of the RSU Scheme are: (i) to stimulate the proactiveness of the Eligible Persons, encourage their innovation to create value, enhance profit, achieve competitive goals, and ultimately maximize return for the Shareholders; (ii) to promote the strategic development and realize the goals of the Company: to incentivize Eligible Persons to create value for customers and Shareholders, and increase the Company's competitiveness; to incentivize Eligible Persons to align the Company's development strategy with theirs and thus creating Shareholder's value as a whole; (iii) to optimize the remuneration structure of the Group's employees through RSUs and provide them with a mechanism to own equity interests in the Company for interests and risks sharing; and (iv) to attract, motivate and retain core capable talents of the Group for the future business development and expansion of the Group.

2. The eligible participants of the RSU Scheme (the "**Eligible Person(s)**") include any individual, being an employee or contractual staff of any members of the Group, director (excluding independent non-executive director), supervisor, senior management, key operating team member of any member of the Group who the Board or its delegatee considers, in their sole discretion, to have significantly contributed or will significantly contribute to the development of the Group.

3. The aggregate number of H Shares underlying the RSUs to be granted under the RSU Scheme shall not exceed 3% of the total number of entire issued H Shares as at the relevant grant date. Accordingly, the number of RSUs available for grant under the scheme limit of the RSU Scheme as at 1 January 2024 and 31 December 2024 are 12,107,222 units, based on 3% of the number of the entire issued H Shares as at 1 January 2024 and 12 December 2024.

4. There is no maximum entitlement of each participant under the RSU Scheme.

5. The arrangement of validity period, vesting period and exercise period of the RSU Scheme are as follows:

    (1) Unless early termination of the RSU Scheme pursuant to the rules of the RSU Scheme, the RSU Scheme shall be valid and effective for the period commencing on the date on which the Shareholders approved the RSU Scheme, and ending on the business day immediately prior to the tenth (10th) anniversary of the date on which the Shareholders approved the RSU Scheme (after which no further RSUs will be granted or accepted). The Board or its delegatee may, from time to time, while the RSU Scheme and the relevant award letter are in force and subject to all applicable laws, rules and regulations, determine such vesting criteria and conditions or periods for the awards to be vested hereunder.

    (2) The vesting period of the Awards under the 2023 Grant, 2024 First Grant and 2024 Second Grant are as follows [(Note)]:

Vesting Arrangement	**Vesting Period**	**Vesting percentage**
First vesting period	From the grant date to the first vesting date (12 July 2024)	25%
Second vesting period	From the grant date to the second vesting date (12 July 2025)	25%
Third vesting period	From the grant date to the third vesting date (12 July 2026)	25%
Fourth vesting period	From the grant date to the fourth vesting date (12 July 2027)	25%

Note: If the vesting date is not a business day, the vesting date shall, subject to any trading halt or suspension in trading of the H Shares, be the business day immediately thereafter.

(3) The vesting period of the Awards under the 2023 Grant, 2024 First Grant and 2024 Second Grant are as follows:

Exercise Arrangement	Exercise Period	Exercise percentage
First exercise period	Within four years from the date of expiration of the first anniversary of the grant date (the first vesting date)	25%
Second exercise period	Within three years from the date of expiration of the second anniversary of the grant date (the second vesting date)	25%
Third exercise period	Within two years from the date of expiration of the third anniversary of the grant date (the third vesting date)	25%
Fourth exercise period	Within one year from the date of expiration of the fourth anniversary of the grant date (the fourth vesting date)	25%

The RSUs can only be exercised after vesting. The RSUs shall be exercisable after the first vesting date within four years, in accordance with the vesting schedule specified in the relevant award letter and in accordance with the applicable provisions of the RSU Scheme. If RSUs are not exercised within four years after the first vesting date, the RSUs shall lapse and shall not be exercisable. In addition, the RSUs shall be subject to the provisions of section 19 of the RSU Scheme with respect to the termination of the RSU Scheme.

6. No payment is required on application or acceptance of the awards under the 2023 Grant, 2024 First Grant and 2024 Second Grant.

7. The exercise price of the RSUs under the 2023 Grant, 2024 First Grant and 2024 Second Grant is equivalent to 50% of the closing price of the H Shares on the grant date (i.e., the exercise price per unit of RSU under the 2023 Grant, 2024 First Grant and 2024 Second Grant is HKD25.95).

8. As at the date of this announcement, the remaining life of the RSU Scheme is approximately seven years.

9. Lapse of RSUs：Given that 10 selected participants under the RSU Scheme resigned due to personal reasons, the Company decided to cancel the qualification of the abovementioned selected participants, representing 470 thousand units of RSUs in total. After such adjustments, the number of selected participants is adjusted from 78 to 68.

The Directors (including the independent non-executive Directors) are of the view that the 2023 Grant, 2024 First Grant and 2024 Second Grant are conducted on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Selected participants under the RSU Scheme

As at 31 December 2024, there were a total of 68 selected participants (the "**RSU Selected Participants**"), which comprise 7 connected persons of the Company and 61 independent third parties of the Company and its connected person (as defined under the Hong Kong Listing Rules). Each grant of an award to a Director or connected person of the Company was approved by all independent non-executive Directors and subject to the Hong Kong Listing Rules and any applicable laws and regulations.

Details of the 2023 Grant, 2024 First Grant and 2024 Second Grant comprising both vested and unvested awards are set out as follows:

Name	Position	As at 31 December 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	As at 30 June 2024
Director of the Company							
Li Liangbin	Executive Director	–	600,000	–	–	–	600,000
Wang Xiaoshen	Executive Director	–	600,000	–	–	–	600,000
Sub-total		**–**	**1,200,000**	**–**	**–**	**–**	**1,200,000**
Others							
Senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		3,470,000	650,000	–	–	470,000	3,650,000
Total		**3,470,000**	**1,850,000**	**–**	**–**	**470,000**	**4,850,000**

Notes:

1. During the Reporting Period, RSUs were granted on 19 January 2024 at an exercise price of HKD25.95 per unit. The closing price of the H Shares immediately before the date of grant (18 January 2024) was HKD25.35; RSUs were granted on 10 July 2024 at an exercise price of HKD25.95 per unit. The closing price of the H Shares immediately before the date of grant (9 July 2024) was HKD15.48.

2. No RSUs have been exercised during the Reporting Period.

3. The exercise price of the lapsed RSUs is HKD25.95 per unit.

4. The number of the relevant H Shares underlying the unexercised RSUs as at the end of the Reporting Period was 4,850,000, of which:

   a. 1,212,500 units of RSUs could be vested and exercisable during the period commencing 12 July 2024 and ending on 11 July 2028;

   b. 1,212,500 units of RSUs shall be vested and exercisable during the period commencing 12 July 2025 and ending on 11 July 2028;

   c. 1,212,500 units of RSUs shall be vested and exercisable during the period commencing 12 July 2026 and ending on 11 July 2028; and

   d. 1,212,500 units of RSUs shall be vested and exercisable during the period commencing 12 July 2027 and ending on 11 July 2028.

Vesting conditions

The vesting of the awards granted under the RSU Scheme is subject to the award letter, the following condition and any other applicable vesting conditions as set out in the RSU Scheme. If any selected participant fails to fulfil the vesting conditions applicable to the relevant awards, all the RSUs underlying the relevant awards which may otherwise be vesting during the respective vesting period shall not be vested and become immediately forfeited with respect to such selected participant. The Trustee shall be notified of such forfeiture and such forfeited shares shall be held by the Trustee as returned shares. The Board's or its delegatee's decision on whether the vesting conditions are fulfilled and satisfied shall be conclusive and final.

The vesting conditions for the 2023 Grant, 2024 First Grant and 2024 Second Grant are set out below:

According to the position(s) of a selected participant, select the completion status of the company level performance goal in the financial year or the completion status of the team/subsidiary level performance goal to which the selected participant belongs in the financial year as the basis for determining the actual vesting amount of the award of a selected participant in the corresponding vesting period. The actual vesting amount of the award vested to a selected participant for the respective vesting periods shall be equal to the standard coefficient multiplied by the planned vesting amount for the respective vesting periods. The calculation method of the standard coefficient of the company level performance goal is that if the completion ratio of the company level performance goal in the financial year reaches 70% or above, the standard coefficient is 1.0; if the completion ratio is 50%-69%, the standard coefficient is 0.8; and if the completion ratio does not reach 50%, the standard coefficient is 0. The calculation method of the standard coefficient of the performance goal of team/subsidiary level is that if the completion ratio of the team/subsidiary level performance goal in the financial year reaches 80% or above, the standard coefficient for that financial year is the corresponding completion ratio, and if the completion ratio does not reach 80%, the standard coefficient is 0.

If the 2023 Selected Participant of Chinese nationality working in Argentina returns to China during their office period (including but not limited to reasons such as changes in job position, resignation or cessation of employment), the 2023 Selected Participant will cease to be an Eligible Person, all vested RSUs and any outstanding RSUs not yet vested shall be immediately forfeited, unless the Board or its delegatee determines otherwise at their absolute discretion.

Calculation of the Fair Value of the Awards on 2024 First Grant date

(1) Accounting Treatment

In accordance with the requirements of the IFRS 2 – Share-based Payment, the Company shall, on each balance sheet date during the vesting period, adjust the estimated number of Shares as an award that may be exercised in accordance with the latest number of the RSU Selected Participants who have fulfilled the exercise conditions and the performance indicators, and recognize the services received during the period as the relevant costs or expenses and capital reserve in accordance with the fair value of the Shares as an award on the grant date.

(2) Calculation of the Fair Value under RSU Scheme

According to the relevant provisions on the determination of fair value in the IFRS 2 – Share-based Payment, an appropriate valuation model is required to be selected to calculate the fair value under RSU Scheme. The Company chooses Black-Scholes model (B-S model) to calculate the fair value, and then uses the model to calculate the total fair value to be HKD11,720,117.22 as at the grant date.

The specific parameters were selected as below:

(i) Price of the Underlying Shares: HKD24.35 per Share (the closing price was HKD24.35 on the grant date)

(ii) Exercise price: HKD25.95 per H Share

(iii) Validity Period: 6, 18, 30 and 42 months, respectively (based on the period commencing from Grant Date and ending on the first Exercisable Date for each respective period)

(iv) Historical volatility ratio: 48.0594%, 56.3867%, 60.7703%, 65.3386% (adopted the historical volatility ratio of the H Share of the Company in the latest one, two, three and four year)

(v) Risk-free interest rate: 4.0468% (adopted the HKD Overnight Interest Settlement Rates on grant date)

(vi) Dividend yield: 2.10% (adopted the dividend rate of the Company in one year prior to the 2024 First Grant)

The fair value is only an estimate made by the Company under the Black-Scholes model and a number of assumptions. Therefore, the fair value estimated is subject to uncertainty and the limitation of the model.

(3) Impact on the operating performance of the Company

The fair value of the Shares as an award on the grant date which is determined in accordance with the relevant valuation method, and the costs of payment of Shares under the RSU Scheme which is determined finally, will be amortized in accordance with the percentage of Shares exercised during the implementation of the RSU Scheme. The award costs incurred from the RSU Scheme will be charged to the recurring profit and loss.

The Company granted awards to the Selected Participants in January 2024, according to the requirements of the PRC accounting standards, the impact of the awards granted under the RSU Scheme on accounting costs of each period is shown in the following table:

Number of awards granted *(0'000)*	**Total costs to be amortized** *(HKD0'000)*	**2024** *(HKD0'000)*	**2025** *(HKD0'000)*	**2026** *(HKD0'000)*	**2027** *(HKD0'000)*
150	1,172.01	561.91	351.83	193.30	64.97

Note: The above results do not represent the final accounting cost, in addition to the actual grant date, grant price and grant number, the actual accounting cost also relates to the number of equity which actually take effect and lapse, and the final results of the impact of the above costs amortization on the operation results of the Company is subject to the annual audit report to be issued by the accountant firm.

According to the preliminary evaluation by the Company based on the information available, without taking into account the stimulus effects of the RSU Scheme on the results of the Company, the amortization of the costs of RSU Scheme shall affect the net profit of each year during the validity period, but the effect will not be substantial. Taking into consideration the positive impact of the RSU Scheme on the development of the Company, such as motivating the management team, increasing the operational efficiency, and reducing agent costs, the benefits generated from the improvement in the Company's results due to the RSU Scheme shall far exceed the increase in expenses.

Calculation of the Fair Value of the Awards on 2024 Second Grant date

(1) Accounting Treatment

In accordance with the requirements of the IFRS 2 – Share-based Payment, the Company shall, on each balance sheet date during the vesting period, adjust the estimated number of Shares as an award that may be exercised in accordance with the latest number of the RSU Selected Participants who have fulfilled the exercise conditions and the performance indicators, and recognize the services received during the period as the relevant costs or expenses and capital reserve in accordance with the fair value of the Shares as an award on the grant date.

(2) Calculation of the Fair Value under RSU Scheme

According to the relevant provisions on the determination of fair value in the IFRS 2 – Share-based Payment, an appropriate valuation model is required to be selected to calculate the fair value under RSU Scheme. The Company chooses Black-Scholes model (B-S model) to calculate the fair value, and then uses the model to calculate the total fair value to be HKD877,782.5 as at the grant date.

The specific parameters were selected as below:

(i) Price of the Underlying Shares: HKD15.76 per Share (the closing price was HKD15.76 on the grant date)

(ii) Exercise price: HKD25.95 per H Share

(iii) Validity Period: 1, 13, 25 and 37 months, respectively (based on the period commencing from Grant Date and ending on the first Exercisable Date for each respective period)

(iv) Historical volatility ratio: 55.5537%，51.8877%，56.8717%，62.7885% (adopted the historical volatility ratio of the H Share of the Company in the latest one, two, three and four year)

(v) Risk-free interest rate: 4.4971% (adopted the HKD Overnight Interest Settlement Rates on grant date)

(vi) Dividend yield: 5.48% (adopted the dividend rate of the Company in one year prior to the 2024 Second Grant)

The fair value is only an estimate made by the Company under the Black-Scholes model and a number of assumptions. Therefore, the fair value estimated is subject to uncertainty and the limitation of the model.

(3) Impact on the operating performance of the Company

The fair value of the Shares as an award on the grant date which is determined in accordance with the relevant valuation method, and the costs of payment of Shares under the RSU Scheme which is determined finally, will be amortized in accordance with the percentage of Shares exercised during the implementation of the RSU Scheme. The award costs incurred from the RSU Scheme will be charged to the recurring profit and loss.

The Company granted awards to the Selected Participants in July 2024, according to the requirements of the PRC accounting standards, the impact of the awards granted under the RSU Scheme on accounting costs of each period is shown in the following table:

Number of awards granted *(0'000)*	**Total costs to be amortized** *(HKD0'000)*	**2024** *(HKD0'000)*	**2025** *(HKD0'000)*	**2026** *(HKD0'000)*	**2027** *(HKD0'000)*	**2028** *(HKD0'000)*
35	87.78	16.48	30.60	22.13	13.76	4.81

Note: The above results do not represent the final accounting cost, in addition to the actual grant date, grant price and grant number, the actual accounting cost also relates to the number of equity which actually take effect and lapse, and the final results of the impact of the above costs amortization on the operation results of the Company is subject to the annual audit report to be issued by the accountant firm.

According to the preliminary evaluation by the Company based on the information available, without taking into account the stimulus effects of the RSU Scheme on the results of the Company, the amortization of the costs of RSU Scheme shall affect the net profit of each year during the validity period, but the effect will not be substantial. Taking into consideration the positive impact of the RSU Scheme on the development of the Company, such as motivating the management team, increasing the operational efficiency, and reducing agent costs, the benefits generated from the improvement in the Company's results due to the RSU Scheme shall far exceed the increase in expenses.

Employee Stock Ownership Plan

The adoption of the employee stock ownership plan of the Company (the "**Employee Stock Ownership Plan**") was approved by the Shareholders at the extraordinary general meeting of the Company held on 15 June 2022. The source of A Shares of the Employee Stock Ownership Plan is the A Shares purchased through the secondary market (including but not limited to bidding transactions and block transactions) and other ways as permitted by the relevant laws (the "**Target Shares**"). No new Shares would be issued pursuant to the Employee Stock Ownership Plan.

The summarized rules of the 2023 Employee Stock Ownership Plan are as follows:

1. The purposes of the 2023 Employee Stock Ownership Plan are: to establish and improve the benefit sharing mechanism between employees and the Shareholders, improve the corporate governance of the Company, enhance the cohesion of employees and the overall competitiveness of the Company, and ensure the achievement of the Company's future development strategy and business objectives.

2. The participants of the 2023 Employee Stock Ownership Plan are Directors, supervisors, senior management personnels, core management personnels and key employees of the Company who have been playing an important role in and having an influence on the overall performance and medium and long-term development of the Company. The total number of employees participating in the 2023 Employee Stock Ownership Plan shall not exceed 595 (excluding reserved shares), and the final distribution share and proportion of each participant is subject to the actual distribution.

3. The total number of A Shares held under all effective employee stock ownership plans shall not exceed 10% of the total share capital of the Company. Accordingly, The total number of A Shares held under all effective employee stock ownership plans shall not exceed 201,716,777, based on 10% of the number of the total share capital of the Company as at 12 December 2024.

4. The accumulated Shares held by any participant under all effective employee stock ownership plans shall not exceed 1% of the total share capital of the Company.

5. The arrangement of term, lock-up period and performance assessment of the 2023 Employee Stock Ownership Plan are as follows:

The term of the Employee Stock Ownership Plan is 72 months, starting from the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of Employee Stock Ownership Plan. The Employee Stock Ownership Plan will be automatically terminated if not extended upon expiry. Within ten days before the expiry of the Employee Stock Ownership Plan, as agreed by the participants of the Employee Stock Ownership Plan (the "**Holders**") present at the highest internal management authority of the Employee Stock Ownership Plan (the "**Holders' Meeting**") holding more than 2/3 of the total units and submitted to the Board for consideration and approval, the term of the Employee Stock Ownership Plan can be extended. Provided that the shares of the Company held by the Employee Stock Ownership Plan cannot be fully disposed of prior to the expiry of the term due to suspension of trading or short window period, the duration of the Employee Stock Ownership Plan may be extended, as agreed by the attending Holders with more than two-thirds of the total units at the Holders' Meeting, and as considered and approved by the Board of the Company. The lock-up period of the Employee Stock Ownership Plan is 12 months, calculated from the date of completion of the purchase of the shares of the Company. The first grant shall be vested in four batches as to 25% for each batch, provided that the performance results and personal performance results are achieved in the four fiscal years from 2023 to 2026. The reserved grant shall be vested in three batches as to 30%, 30%, and 40% respectively, provided that the performance results and personal performance results are achieved in the three fiscal years from 2024 to 2026.

(1) The vesting time of first grant part are as follow:

The first batch vesting time: The number of vested shares shall be 25% of the total number of Target Shares held under the Employee Stock Ownership Plan from the first trading day after 12 months following the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan to the day of the last trading day within 24 months from the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan.

The second batch vesting time: The number of vested shares shall be 25% of the total number of Target Shares held under the Employee Stock Ownership Plan from the first trading day after 24 months following the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan to the day of the last trading day within 36 months from the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan.

The third batch vesting time: The number of vested shares shall be 25% of the total number of Target Shares held under the Employee Stock Ownership Plan from the first trading day after 36 months following the date when the Company announces the completion of the purchase of the shares of the first grant of the Company under the Employee Stock Ownership Plan to the day of the last trading day within 48 months from the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan.

The fourth batch vesting time: The number of vested shares shall be 25% of the total number of Target Shares held under the Employee Stock Ownership Plan from the first trading day after 48 months following the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan to the day of the last trading day within 60 months from the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan.

The vesting time of reserved grant part are as follow:

The first batch vesting time: The number of vested shares shall be 30% of the total number of Target Shares held under the Employee Stock Ownership Plan from the first trading day after 12 months following the date when the Company announces the completion of the purchase of the shares of the Company under the reserved grant part of the Employee Stock Ownership Plan to the day of the last trading day within 24 months from the date when the Company announces the completion of the purchase of the shares of the Company under the reserved grant part of the Employee Stock Ownership Plan.

The second batch vesting time: The number of vested shares shall be 30% of the total number of Target Shares held under the Employee Stock Ownership Plan from the first trading day after 24 months following the date when the Company announces the completion of the purchase of the shares of the Company under the reserved grant part of the Employee Stock Ownership Plan to the day of the last trading day within 36 months from the date when the Company announces the completion of the purchase of the shares of the Company under the reserved grant part of the Employee Stock Ownership Plan.

The third batch vesting time: The number of vested shares shall be 40% of the total number of Target Shares held under the Employee Stock Ownership Plan from the first trading day after 36 months following the date when the Company announces the completion of the purchase of the shares of the reserved grant part of the Company under the Employee Stock Ownership Plan to the day of the last trading day within 48 months from the date when the Company announces the completion of the purchase of the shares of the Company under the reserved grant part of the Employee Stock Ownership Plan.

The Target Shares acquired by the Employee Stock Ownership Plan and the shares derived from the distribution of dividends by the listed Company and the conversion of capital reserves shall also comply with the above lock-up arrangement.

(2) Performance assessment of the Employee Stock Ownership Plan

a. Performance assessment at segment/subsidiary level

The Employee Stock Ownership Plan sets performance assessment targets at the sector/subsidiary level. The vesting assessment period of the first grant part covers four accounting years from 2023 to 2026, the vesting assessment period of the reserved grant part covers three accounting years from 2024 to 2026. The assessment shall be conducted once an accounting year. Vesting is subject to the fulfillment of the performance commitment to the Company made by the segment or subsidiary to which the Holders belong. Detailed arrangements for vesting are shown in the following table:

Assessment results	**Actual fulfillment of performance commitment**	**Method for vesting**
Fulfilled	P≥100%	All the units which are to be vested by the Holders in the segment/subsidiary for the period can be vested
	80%≤P〈100%	"80% of the units which are to be vested by the Holders in the segment/subsidiary for the period" can be vested and the remaining shall be recovered by the management committee of the Employee Stock Ownership Plan (the "**Management Committee**")

Assessment results	Actual fulfillment of performance commitment	Method for vesting
Not fulfilled	P<80%	None of the units which are to be vested by the Holders in the segment/subsidiary for the period can be vested and all of them shall be recovered by the Management Committee

The units which are to be vested by the Holders in the segment/subsidiary for the period can only be vested fully or partially when the performance commitment has been fulfilled in the assessment for the previous year; if the segment/subsidiary fails to fulfill its performance commitment, the portion out of the units which have been granted to and are to be vested by the Holders in the segment/subsidiary for the period shall be recovered by the Management Committee according to the requirements under the Stock Ownership Plan. After the expiration of the lock-up period, the Target Shares shall be sold, and the funds obtained from the sale of such shares shall belong to the Company.

b. Performance assessment at individual level

The performance assessment at the Holders level shall be implemented in accordance with the current internal performance assessment regulation of the Company, and the actual number of shares vested to the Holders shall be determined based on the assessment results of the Holders. If the Company achieves its performance target, the number of Stock Ownership Plan units a Holder actually be vested for a particular year = Number of units the Holders plans to be vested for the year × Personal vesting ratio (Referred to the table below):

Assessment results(S)	S≥80	80 > S≥70	70 > S≥60	S < 60
Personal vesting ratio	1.0	0.9	0.8	0

If the individual performance assessment at the Holders level during the vesting assessment period is “S≥80”, the Holder shall vest the corresponding equity interests of the Target Shares for that period in accordance with the above rules. If the performance assessment at the Holders level during the vesting assessment period is “80>S≥70”, “70>S≥60” and “S<60”, the Holder shall not vest the corresponding proportion of the equity interests of the Target Shares for that period, and the Management Committee shall withdraw the shares that have not met the vesting conditions. The Management Committee has the right to decide to grant the shares to other employees again, who should meet the criteria for participating in the Employee Stock Ownership Plan, and the detail shall be determined by the Management Committee. If the grant of the shares is not completed during the term of the Employee Stock Ownership Plan, the Management Committee shall sell such portion of the Target Shares after the expiration of the lock-up period, the funds obtained from the sale of such portion of the shares shall be vested in the Company.

The lock-up period and vesting arrangement of the Stock Ownership Plan reflect the long-term nature of the Employee Stock Ownership Plan, and at the same time established strict segment/subsidiary performance assessment and individual performance assessment to prevent short-term interests and closely bundle the interests of shareholders with those of employees.

6. No payment is required on application or acceptance of the units under the Employee Stock Ownership Plan.

7. There is no exercise price of under the Employee Stock Ownership Plan.

8. As at the date of this report, the remaining life of the Employee Stock Ownership Plan is approximately five years.

The completion of the purchase of the shares of the Company under the first grant of Employee Stock Ownership Plan

From 20 December 2023 to 15 January 2024, a total of 7,167,467 A Shares were purchased under the first grant of the Employee Stock Ownership Plan via the SZSE trading system by way of trading through price bidding in the secondary market, representing 0.36% of the total share capital of the Company, with the highest price being RMB45.60 per share, the lowest price being RMB38.22 per share, the average trading price being RMB41.42 per share, and the total transaction amount being approximately RMB296,850,700, which was financed by the special fund provided for the Employee Stock Ownership Plan, and the actual purchases made by employees were in line with the relevant contents of the Employee Stock Ownership Plan as considered and approved at the general meeting, thus the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan was completed. The term of the Employee Stock Ownership Plan has formally come into force on 15 January 2024.

The total amount of fund for the Employee Stock Ownership Plan is subscribed in "units", each of which being RMB1. The units of the Employee Stock Ownership Plan shall not exceed 320 million units. The specific proportion of the first grant part in the Employee Stock Ownership Plan is as follows:

Name of Holders	Position	Proposed subscription units (10,000 units)	Proportion of proposed subscription units to the total units of the Employee Stock Ownership Plan
Shen Haibo	Director	285.9730	0.8937%
Xiong Xunman	Vice president	285.9730	0.8937%
Xu Jianhua	Vice president	285.9730	0.8937%
Huang Ting	Financial director, vice president	214.4798	0.6702%
Luo Guanghua	Vice president	214.4798	0.6702%
Wang Bin	Vice president	142.9865	0.4468%
Huang Huaan	The chairman of the Supervisory Committee	57.1946	0.1787%
Ren Yuchen	Secretary of the Board	214.4798	0.6702%
Li Liangxue	Senior engineer	70.0634	0.2189%
Xiong Jianlang	General manager of Marketing Center	142.9865	0.4468%
Subtotal		**1,914.5894**	**5.9830%**
Core management, core employees (no more than 579)		27,770.4806	86.7828%
Total		**29,685.07**	**92.7659%**

The final subscription unit of Employee Stock Ownership Plan shall be subject to the actual allocation of each participant. Where a Holder waives the entitlement to participate, the units proposed to be subscribed by him/her may be applied and subscribed by other eligible participants. The Human Resource Department of the Company may make adjustment to the list of participants and the number of units to be subscribed for according to the actual situation of the employees' subscription. There is no circumstance where third parties provide incentives, grants and subsidies, and make up the balance to participants for participation of the Employee Stock Ownership Plan.

Notes:

1. The Term of the Employee Stock Ownership Plan is formally effective on 15 January 2024 with no exercise price. The closing price of the A Shares immediately before the effective date (being 14 January 2024) was RMB43.48.

2. During the Reporting Period, no units under the Employee Stock Ownership Plan were effective, or have been vested, exercised, cancelled or lapsed.

Calculation of the fair value under the first grant part of the Employee Stock Ownership Plan

(1) Accounting Treatment

According to the relevant provisions on the determination of fair value in the IFRS 2 – Share based Payment, the share-based payment to exchange for the staff services and settled with equity that cannot be exercised only until the service in waiting period is completed or the performance condition required is realized, the service obtained in the current period shall be included in relevant costs or expenses and capital reserves on each balance sheet date within the waiting period, on the basis of the best estimate of the number of vesting equity instruments, as per the fair value of equity instruments of the grant date.

(2) Calculation of the Fair Value

The estimation of the purchase of the Company's shares is completed under the Employee Stock Ownership Plan as of January 2024, the Company's collection of approximately 295,138.2 thousand from the Special Fund for the first grant shall be amortized as expense from 2024 to 2028, with a limited impact on the Company's performance. The estimated amortization of the expense of the first grant part of Stock Ownership Plan is as follows:

Total share-based payments *(RMB0,000)*	2024 *(RMB0,000)*	2025 *(RMB0,000)*	2026 *(RMB0,000)*	2027 *(RMB0,000)*	2028 *(RMB0,000)*
29,513.82	14,782.18	8,276.34	4,445.60	1,938.95	70.75

Note: The above impact on the Company's business performance shall be subject to the final annual audit report issued by the accounting firm.

The completion of the purchase of the shares of the Company under the reserved part of Employee Stock Ownership Plan

From 2 July 2024 to 18 July 2024, a total of 478,280 A Shares were purchased under the first grant of the Employee Stock Ownership Plan via the SZSE trading system by way of trading through price bidding in the secondary market, representing 0.02% of the total share capital of the Company, with the highest price being RMB29.65 per share, the lowest price being RMB28.20 per share, the average trading price being RMB28.90 per share, and the total transaction amount being approximately RMB1,3821.4 thousand, which was financed by the special fund provided for the Employee Stock Ownership Plan, and the actual purchases made by employees were in line with the relevant contents of the Employee Stock Ownership Plan as considered and approved at the general meeting, thus the purchase of the shares of the Company under the reserved part of the Employee Stock Ownership Plan was completed.

The total amount of funds for the Employee Stock Ownership Plan is subscribed in "units", each of which being RMB1. The reserved part of the Employee Stock Ownership Plan shall not exceed 20 million units. All of participants of reserved part are core management and core employee of the Company, with no directors, supervisors and senior management.

The final subscription unit of Employee Stock Ownership Plan shall be subject to the actual allocation of each participant. Where a Holder waives the entitlement to participate, the units proposed to be subscribed by him/her may be applied and subscribed by other eligible participants. The Human Resource Department of the Company may make adjustment to the list of participants and the number of units to be subscribed for according to the actual situation of the employees' subscription. There is no circumstance where third parties provide incentives, grants and subsidies, and make up the balance to participants for participation of the Employee Stock Ownership Plan.

Calculation of the fair value under the reserved part of the Employee Stock Ownership Plan

(1) Accounting Treatment

According to the relevant provisions on the determination of fair value in the IFRS 2 – Share based Payment, the share-based payment to exchange for the staff services and settled with equity that cannot be exercised only until the service in waiting period is completed or the performance condition required is realized, the service obtained in the current period shall be included in relevant costs or expenses and capital reserves on each balance sheet date within the waiting period, on the basis of the best estimate of the number of vesting equity instruments, as per the fair value of equity instruments of the grant date.

(2) Calculation of the Fair Value

The estimation of the purchase of the Company's shares is completed under the Employee Stock Ownership Plan as of June 2024, the Company's collection of approximately 20,000 thousand from the Special Fund for the reserved part shall be amortized as expense from 2024 to 2027, with a limited impact on the Company's performance. The estimated amortization of the expense of the first grant part of Stock Ownership Plan is as follows:

Total share-based payments	2024	2025	2026	2027
(RMB0,000)	*(RMB0,000)*	*(RMB0,000)*	*(RMB0,000)*	*(RMB0,000)*
2,000.00	583.33	866.67	416.67	133.33

Note: The above impact on the Company's business performance shall be subject to the final annual audit report issued by the accounting firm.

Significant Events after the Reporting Period

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2024 and up to the date of this announcement.

Future plans and use of proceeds

During the Reporting period, the Company did not make any issue for cash of equity securities, and there were no proceeds brought forward from any issue of equity securities made in previous financial years to the Reporting Period.

Save as disclosed in this announcement, the Group has no future plans for material investments or capital assets in the coming year.

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 to the greatest extent. The Company has adopted all code provisions and principles as set out in the Corporate Governance Code contained in Appendix C1 to the Hong Kong Listing Rules as the basis of its corporate governance practices.

Other than the deviation from Code Provisions B.2.2 of the Corporate Governance Code, the Company has complied with the principles and code provisions of the Corporate Governance Code during the Reporting Period.

Deviation from Code Provision B.2.2 of Corporate Governance Code

Pursuant to Code Provision B.2.2 of the Corporate Governance Code, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The three-year term of the fifth session of the Board and the supervisory committee ("**Supervisory Committee**") of the Company expired on 24 March 2023. As the nomination of relevant candidates for the members of the new session of the Board and Supervisory Committee has not yet been completed, and the suitability of some of the candidates is still being assessed, the election and appointment of the members of the Board and the Supervisory Committee will be postponed to maintain the continuity of the work of the Board and the Supervisory Committee. Meanwhile, the terms of the special committees under the fifth session of the Board and the senior management of the Company will be extended correspondingly. The above-mentioned matters constitutes a deviation from Code Provision B.2.2 of the Corporate Governance Code.

The Board believe that the postponement of the election and appointment will not affect the daily operations of the Company for the following reasons:

(1) the leadership of the Directors and Supervisors is particularly important to the continuity and stability of the Group's business. Maintaining the original membership structure is conducive to the stability of the daily operation of the Company until suitable candidates are proposed to succeed the Directors and Supervisors;

(2) the suitability of the candidates for the Directors and the Supervisors is a key issue in the process of election and appointment and is needed to be prudently considered. The incumbent Directors have extensive experience in the corporate governance and business of the Company, with different professional backgrounds and expertise in corporate management, technology development, financial management, strategic investment and human resources management, etc. Therefore, until the completion of the suitability assessment of the candidates, extending the terms of the incumbent Directors and Supervisors is to make business decisions in the best interest of the Company;

(3) each of the independent non-executive Directors has provided the Company with a written statement confirming his/her independence in accordance with Rule 3.13 of the Hong Kong Listing Rules. Upon assessment, the Company is of the view that each of the independent non-executive Directors is an independent party. Therefore, the current Board and Supervisory Committee still provide adequate balance of power and authority for corporate governance and internal control.

To address the deviation from Code Provision B.2.2 of the Corporate Governance Code, the Company will complete the election and appointment of members of the Board and the Supervisory Committee as soon as possible and will fulfill its corresponding information disclosure obligation in a timely manner.

Non-compliance with the articles of association and terms of reference of committees

Reference is made to the announcement in relation to Retirement of Independent Executive Director and Committee Member and Non-compliance with the Articles of Association and Terms of Reference of Committees dated 15 July 2024. Ms. Yang Juan ("**Ms. Yang**") has resigned as a non-executive Director, a member of the remuneration committee of the Board and a member of the strategy committee of the Board with effect from July 15, 2024 as she would like to devote more time to her personal development Following the resignation of Ms. Yang, the Board failed to meet the following requirements:

(i) the Board shall consist of ten Directors under article 135 of the articles of associations of the Company;

(ii) the remuneration committee of the Board shall consist of three members under the Article 4 of the terms of reference of the remuneration committee of the Board; and

(iii) the strategy committee of the Board shall consist of five members under the Article 5 of the terms of reference of the strategy committee of the Board.

Following the extraordinary general meeting held on 13 August 2024 to appoint Ms. Luo Rong as an non-executive Director, a member of the remuneration committee of the Board and a member of the strategy committee of the Board, 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 C3 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 for the Reporting Period.

REPURCHASE, SALE OR REDEMPTION OF SECURITIES

From 20 December 2023 to 15 January 2024, a total of 7,167,467 A shares of the Company were purchased under the first grant of the 2023 Employee Stock Ownership Plan via the SZSE trading system by way of trading through price bidding in the secondary market, representing 0.36% of the total share capital of the Company, with the highest price being RMB45.60 per Share, the lowest price being RMB38.22 per Share, the average trading price being RMB41.42 per Share, and the total transaction amount being approximately RMB296,850,700, which was financed by the special fund provided for the 2023 Employee Stock Ownership Plan of the Company, and the actual purchases made by employees were in line with the relevant contents of the 2023 Employee Stock Ownership Plan as considered and approved at the general meeting, thus the purchase of the shares of the Company under the first grant of the 2023 Employee Stock Ownership Plan was completed.

From 2 July 2024 to 18 July 2024, a total of 478,280 A Shares were purchased under the first grant of the Employee Stock Ownership Plan via the SZSE trading system by way of trading through price bidding in the secondary market, representing 0.02% of the total share capital of the Company, with the highest price being RMB29.65 per share, the lowest price being RMB28.20 per share, the average trading price being RMB28.90 per share, and the total transaction amount being approximately RMB1,3821.4 thousand, which was financed by the special fund provided for the Employee Stock Ownership Plan, and the actual purchases made by employees were in line with the relevant contents of the Employee Stock Ownership Plan as considered and approved at the general meeting, thus the purchase of the shares of the Company under the reserved part of the Employee Stock Ownership Plan was completed.

Save as disclosed above, as far as known to the Company, during the Reporting Period, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any listed securities (including Treasury Shares) of the Company during the Reporting Period.

REVIEW OF THE 2024 ANNUAL RESULTS

The audit committee of the Company (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 part 2 of the Corporate Governance Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Wong Ho Kwan, Mr. Wang Jinben and Ms. Xu Yixin. Mr. Wong Ho Kwan serves as the chairman of the Audit Committee and possesses the appropriate professional qualifications as required under Rule 3.10(2) and 3.21 of the Hong Kong Listing Rules. The Audit Committee has reviewed the Group's audited consolidated financial results for the year ended 31 December 2024 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.

ANNUAL GENERAL MEETING

The 2024 AGM of the Company will be held on Wednesday, 25 June 2025. A circular containing further information in respect to the AGM will be dispatched to the holders of H Shares of the Company as soon as practicable. The relevant information about the closure of register of members for the AGM will be set out in the circular.

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

Jiangxi, PRC
28 March 2025

As at the date of this announcement, the Board comprises Mr. LI Liangbin, Mr. WANG Xiaoshen, Ms. DENG Zhaonan and Mr. SHEN Haibo as executive directors of the Company; Mr. YU Jianguo and Ms. LUO Rong as non-executive directors of the Company; and Mr. WANG Jinben, Mr. WONG Ho Kwan, Ms. XU Yixin and Mr. XU Guanghua as independent non-executive directors of the Company.

DEFINITIONS

A Share(s)	ordinary share(s) of the Company, with a nominal value of RMB1.00 each, which are subscribed for in RMB and listed on the SZSE (stock code: 002460)
Articles of Association	the articles of association of the Company, as amended from time to time
Board	the board of Directors
Corporate Governance Code	the Corporate Governance Code and Corporate Governance Report set out in Appendix C1 of the Hong Kong Listing Rules
Company	Ganfeng Lithium Group Co., Ltd. (江西贛鋒鋰業集團股份有限公司), a joint stock company established in the PRC with limited liability whose A Shares and H Shares are listed on the SZSE and on the Main Board of the Stock Exchange respectively
Director(s)	Director(s) of the Company
Eligible Person(s)	eligible participants of the RSU Scheme, including any individual, being an employee or contractual staff of any members of the Group, director (excluding independent non-executive director), supervisor, senior management, key operating team member of any member of the Group who the Board or its delegatee considers, in their sole discretion, to have significantly contributed or will significantly contribute to the development of the Group.
Ganfeng LiEnergy	Ganfeng LiEnergy Technology Co., Ltd., a controlled subsidiary of the Company
GFL International	GFL International Co., Limited, a private company limited by shares incorporated in Hong Kong on 29 March 2011 and a wholly-owned subsidiary of the Company
Group	the Company and its subsidiaries

H Share(s)	overseas listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars (stock code: 1772)
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
PRC	the People's Republic of China
Reporting Period	the period beginning from 1 January 2024 and ending on 31 December 2024
RMB	Renminbi, the lawful currency of the PRC
Share(s)	A Share(s) and/or H Share(s)
Shareholder(s)	holder(s) of Share(s)
Stock Exchange	The Stock Exchange of Hong Kong Limited
SZSE	The Shenzhen Stock Exchange
Treasury Shares	has the meaning ascribed thereto under the Listing Rules
%	Per cent