
SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document carefully before you decide to [REDACTED] in the [REDACTED].

There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are a globally leading innovative new energy technology company, primarily engaged in the research, development, production, and sales of EV batteries and ESS batteries. We promote the transition from mobile and stationary fossil energy sources to sustainable alternatives, as well as creating integrated innovative solutions for new applications through advancements in electrification and intelligent technologies. As of December 31, 2024, we had established six major R&D centers and 13 battery manufacturing bases worldwide, with service outlets spanning 64 countries and regions. We have the broadest coverage of customer and end-user base globally. As of December 31, 2024, our EV batteries were installed in over 17 million vehicles, which represents one in every three EVs worldwide, and our ESS batteries were deployed in over 1,700 projects across the globe.

Leveraging decades of extensive experience we have accumulated in the lithium-ion battery industry, we have developed proprietary full-chain and highly efficient R&D capabilities, which lead to our comprehensive and advanced matrix of products and solution. It can be applied to passenger vehicle (PV), commercial vehicle (CV), front-of-the-meter (FTM) energy storage system, behind-the-meter (BTM) energy storage system, and emerging applications such as machinery, vessels, aircraft and others. Our products effectively meet the evolving and diverse needs of global customers.

We actively participate in the development of industry standards and subject matter research in the global lithium-ion battery industry, driving the industry’s sustainable development. By the end of 2024, we are part of over 160 domestic and international industry associations, among others: the Global Battery Alliance, International Renewable Energy Agency, European Battery Alliance, and China Association of Automobile Manufacturers.

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Through our relentless efforts, we are highly recognized by global customers and widely acclaimed in the market. Our major accomplishments include:

EV Battery¹

**No. 1 Globally for
8 Consecutive Years**

37.9%
Global Market Share in 2024

No. 1 in Non-China Markets
In 2024

27.0%
In 2024

ESS Battery²

**No. 1 Globally for
4 Consecutive Years**

36.5%
Global Market Share in 2024

Select Markets³

**72% of the High-End
Passenger EV**
Market in China

80% of the E-Bus
Market in China

71% of the E-Truck
Market in China

R&D⁴

RMB71.8 Bn
Cumulative R&D Spent from 2015
to 2024

43,354 Patents
Authorized/pending

Products

**TECHNOBEST 2024 Award,
AUTOBEST**
Shenxing battery

**The Best Inventions of 2022,
TIME Magazine**
Qilin battery

Manufacturing

**Largest Globally:
676 GWh**
Production Capacity, 2024

**World's Only
3 Lighthouse Factories**
In the Lithium-ion Battery Industry

DPPB
Single-Cell Failure

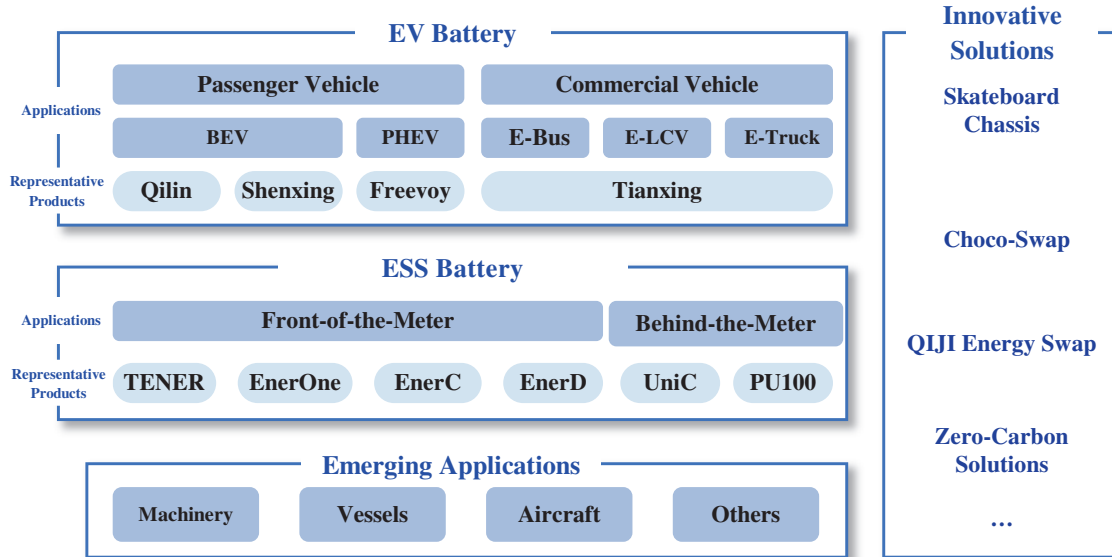
Notes:

- 1 The rankings and market shares are based on global EV battery usage volume, according to the GGII Report. The eight consecutive years refer to 2017 to 2024.
- 2 The rankings and market shares are based on global ESS battery shipment, according to the GGII Report. The four consecutive years refer to 2021 to 2024.
- 3 High-end passenger EV is defined as a vehicle priced over RMB250,000, according to the GGII Report. Market shares are calculated based on data in 2024.
- 4 The number of patents is as of December 31, 2024.

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Our Business

We are dedicated to providing best-in-class EV and ESS batteries and related solutions for global new energy applications, as outlined below:



In addition, we secure the supply of key upstream resources and materials for battery production through battery materials and recycling, and investment, development and operation of mineral resources. For details about each of our business segments, see “Business — Our Products and Solutions.”

Our Innovations

Our innovation has three strategic directions: (i) replacing mobile fossil energy sources, (ii) replacing stationary fossil energy sources and (iii) integrated innovation of new applications. We focus our efforts on innovation around battery materials and electro-chemistries, system structures, and green extreme manufacturing, as well as business model innovation. We have consistently launched new technologies, products and business models that drive the industry forward. For details, see “Business — Our Innovations.”

Our Global Presence

Our business spans the globe. We adopt a “customer-centric” approach and established various long-term and in-depth strategic partnerships with globally renowned automotive OEMs, ESS integrators, project developers or operators. By the end of 2024, nine out of the top ten global automotive OEMs by EV sales volume are our customers, according to the GGII Report. Our automotive OEM customers include BMW, Mercedes-Benz, Stellantis, Volkswagen, Ford, Toyota, Hyundai, Honda, Volvo, SAIC, Geely, NIO, Li Auto, Yutong, and Xiaomi. Our ESS customers and partners include NextEra, Synergy, Wärtsilä, Excelsior, Jupiter Power, Flexgen, China Energy Group, State Power Investment Corporation, China Huaneng Group, China Huadian Group and China National Petroleum Corporation. We further

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strengthen our collaboration with global customers through equity investments, JVs, and technology licensing. In 2024, 30.5% of our revenue was generated from overseas markets. As of December 31, 2024, we had established a global network of over 770 after-sales service stations, among which 169 are located overseas, continuously providing high-quality service to our global customers.

We have been expanding our global footprint in response to evolving customer demands. As of December 31, 2024, we operated 13 battery manufacturing bases around the world including 11 major domestic manufacturing bases located in Ningde (Fujian), Xining (Qinghai), Liyang (Jiangsu), Yibin (Sichuan), Zhaoqing (Guangdong), Shanghai, Xiamen (Fujian), Yichun (Jiangxi), Guiyang (Guizhou), Jining (Shandong), and Luoyang (Henan), and two overseas manufacturing bases — the Thuringia factory in Germany and the Debrecen factory in Hungary. Our manufacturing base in Thuringia, Germany, has become the world’s first battery manufacturer to obtain Volkswagen module certification and the first in Europe to receive Volkswagen cell certification. Furthermore, we are actively preparing and advancing our JV factory with Stellantis N.V. in Spain, and our battery value chain projects in Indonesia.

To actively advance our globalization, we emphasize our efforts on overseas operational support, supply chain expansion, resources and recycling, and international talent acquisition. These efforts aim to create an efficient multinational operational structure.

Our Financial Performance

We have achieved solid and high quality financial performance over the years. For the years ended December 31, 2022, 2023 and 2024, our revenue was RMB328.6 billion, RMB400.9 billion and RMB362.0 billion, respectively. Our revenue decreased by 9.7% from RMB400.9 billion in 2023 to RMB362.0 billion in 2024, mainly due to a reduction in our average selling price in response to decrease in the prices of raw materials, including lithium carbonate, despite increased sales volumes of our EV batteries and ESS batteries. During this period, our profitability continued to improve, with profit for the year consistently increasing. For the years ended December 31, 2022, 2023 and 2024, our profit for the year was RMB33.5 billion, RMB47.3 billion and RMB55.3 billion, respectively, representing a year-on-year growth of 41.5% and 16.8%, respectively. Our net profit margin for the years ended December 31, 2022, 2023 and 2024 was 10.2%, 11.8% and 15.3%, respectively. In the same years, our weighted average ROE was 24.7%, 24.3% and 24.7%, respectively.

We have consistently maintained a robust cash flow position. The net cash flow generated from operating activities for the years ended December 31, 2022, 2023 and 2024 was RMB61.2 billion, RMB92.8 billion, and RMB97.0 billion, respectively.

Our Sustainability Initiatives

We actively promote the United Nations Sustainable Development Goals. As a member of the United Nations Global Compact (“UNGC”), we fully support its ten principles across four key areas: human rights, labor, environment, and anti-corruption. We have established a sustainability governance structure that integrates these principles into our daily operations, ensuring the effective advancement of our sustainability efforts.

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Meanwhile, we continuously enhance the transparency of our external communications, conveying our sustainability values and concepts to a broader range of stakeholders. As of the Latest Practicable Date, we had published annual Corporate Social Responsibility and/or ESG reports for seven consecutive years. We conduct regular identification and analysis of material ESG topics, and conduct a review of material topic results of the previous year in accordance with the latest ESG regulations and policies, while also considering external stakeholder focus and industry practices.

We consider climate change and carbon emissions as essential factors for our sustainable development. In 2023, we released our “Zero Carbon Strategy” setting clear carbon neutrality goals: achieving carbon neutrality by 2025 in our core operations and by 2035 across the value chain. We continue to enhance our ecosystem and biodiversity protection strategies, formulating and publishing our “Biodiversity Commitment” and “Forest Resource Conservation Commitment.” Adhering to a philosophy of seamlessly integrating business development with social responsibility, we actively participate in community development, educational support, disaster relief, environmental protection, and social welfare initiatives. Through dedicated charitable funds and financial donations, we fulfill our corporate citizenship responsibilities and promote social value cocreation.

We continuously enhance our ESG practice and have achieved steady improvement of ESG rating in recent years. We successfully maintain industry-wide leading positions in various mainstream ESG ratings.

COMPETITIVE STRENGTHS

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth:

- Competitive full-chain R&D moat built on our solid experience and proven methodology;
- Comprehensive and advanced product matrix, continuously trendsetting the industry;
- Multi-Dimensional expansion, creating a dominant position in emerging areas;
- Pioneering Zero Carbon practice, building Zero Carbon ecosystem; and
- Leading global footprint with unparalleled capabilities.

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GROWTH STRATEGIES

Guided by the three strategic directions and four innovative systems, we drive the development of our business. We are committed to battery technology innovation and large-scale commercial deployment, continuously expanding the applications of EV and ESS batteries. Through integrated innovation and zero-carbon solutions, we aim to reduce society’s dependence on fossil fuels and contribute to global sustainable development.

Our three strategic directions center around *Electrochemical Energy Storage + Renewable Energy Generation*, *EV Battery + NEV*, and *Electrification +Intelligentization*. Innovation serves as the driving force behind our sustainable development. Guided by our three strategic directions, we have established four innovative systems: “Battery Materials and Electrochemistries Innovation,” “System Structure Innovation,” “Green Extreme Manufacturing Innovation,” and “Business Model Innovation” to support our business development. We promote the four innovative systems through “open innovation.”

CUSTOMERS AND SUPPLIERS

Our EV battery customers primarily consist of domestic and international automotive OEMs. Our ESS battery customers and partners mainly comprise ESS integrators and ESS project developers and operators. In 2022, 2023 and 2024, our revenue from the five largest customers in each year accounted for 35.3%, 36.8% and 37.0% of our total revenue in the year, respectively; and revenue from our largest customer in each year accounted for 11.6%, 12.5% and 15.0% of our total revenue in the year, respectively.

During the Track Record Period, our purchases from the five largest suppliers in each year accounted for 21.3%, 20.3% and 16.3% of our total purchases in the respective year; and purchases from our largest supplier in each year accounted for 5.4%, 5.3% and 6.0% of our total purchases in the respective year.

To the best knowledge of our Directors, none of our Directors, their respective associates or any Shareholder who owns more than 5% of the issued share capital of our Company immediately following the completion of the [REDACTED] had any interest in our five largest customers and suppliers in each year during the Track Record Period.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our financial information during the Track Record Period, extracted from the Accountants’ Report as set out in Appendix I to this document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, our financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with the International Financial Reporting Standards (“IFRSs”).

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Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss for the years indicated.

	For the year ended December 31,					
	2022		2023		2024	
	<i>RMB'000</i>	<i>% of revenue</i>	<i>RMB'000</i>	<i>% of revenue</i>	<i>RMB'000</i>	<i>% of revenue</i>
Revenue	328,593,988	100.0	400,917,045	100.0	362,012,554	100.0
Cost of sales	(270,629,780)	(82.4)	(323,982,130)	(80.8)	(273,518,959)	(75.6)
Gross profit	57,964,208	17.6	76,934,915	19.2	88,493,595	24.4
Research and development expenses	(15,510,453)	(4.7)	(18,356,108)	(4.6)	(18,606,756)	(5.1)
Administrative and other operating expenses	(8,103,787)	(2.5)	(10,526,439)	(2.6)	(11,952,257)	(3.3)
Selling expenses	(2,519,230)	(0.8)	(3,042,744)	(0.8)	(3,562,797)	(1.0)
Other income	7,047,244	2.1	14,883,428	3.7	19,514,964	5.4
Other gains and losses, net	1,285,908	0.4	410,724	0.1	15,342	0.0
Impairment losses	(3,973,175)	(1.2)	(6,107,968)	(1.5)	(9,295,851)	(2.6)
Finance costs	(2,132,375)	(0.6)	(3,446,516)	(0.9)	(3,879,076)	(1.1)
Share of results of associates and joint ventures, net	2,614,517	0.8	3,745,762	0.9	3,743,040	1.0
Profit before income tax	36,672,857	11.2	54,495,054	13.6	64,470,204	17.8
Income tax expense	(3,215,713)	(1.0)	(7,153,019)	(1.8)	(9,175,245)	(2.5)
Profit for the year	33,457,144	10.2	47,342,035	11.8	55,294,959	15.3
Profit for the year attributable to:						
Owners of the Company	30,729,164	9.4	44,702,249	11.1	52,032,846	14.4
Non-controlling interests	2,727,980	0.8	2,639,786	0.7	3,262,113	0.9

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Revenue

During the Track Record Period, our revenue was derived primarily from EV batteries, ESS batteries, battery materials and recycling, and battery mineral resources. The following table sets forth the breakdown of our revenue by product type for the years indicated.

	For the year ended December 31,					
	2022		2023		2024	
	RMB'000	%	RMB'000	%	RMB'000	%
EV batteries	236,593,497	72.0	285,252,917	71.2	253,041,337	69.9
ESS batteries	44,980,277	13.7	59,900,522	14.9	57,290,460	15.8
Battery materials and recycling.	26,031,514	7.9	33,602,284	8.4	28,699,935	7.9
Battery mineral resources . .	4,508,633	1.4	7,734,151	1.9	5,493,003	1.5
Others ⁽¹⁾	16,480,067	5.0	14,427,171	3.6	17,487,819	4.8
Total	328,593,988	100.0	400,917,045	100.0	362,012,554	100.0

Note:

- (1) Primarily including revenue generated from (i) sales of raw materials and scrap materials, and (ii) provision of research and development services.

The EV batteries we sell primarily include battery cells, battery modules/racks and battery packs. Our revenue from sales of EV batteries increased by 20.6% from RMB236.6 billion in 2022 to RMB285.3 billion in 2023, primarily driven by the increasing customer demand for our products. Our revenue from sales of EV batteries decreased by 11.3% from RMB285.3 billion in 2023 to RMB253.0 billion in 2024, mainly due to a reduction in our average selling price in response to decrease in the prices of raw materials, including lithium carbonate, despite increased sales volumes. During the Track Record Period, the sales volume of our EV batteries continued to grow, primarily attributable to (i) our technological advantages, economies of scale, and strong customer base in the EV battery sector, and (ii) the rapid expansion of the NEV industry that drove the sustained growth in global demand for EV batteries.

Our revenue from sales of ESS batteries increased by 33.2% from RMB45.0 billion in 2022 to RMB59.9 billion in 2023, primarily driven by the increasing customer demand for our products. Our revenue from sales of ESS batteries decreased by 4.4% from RMB59.9 billion in 2023 to RMB57.3 billion in 2024, mainly due to a reduction in our average selling price in response to decrease in the prices of raw materials, including lithium carbonate, despite increased sales volumes. During the Track Record Period, the sales volume of our ESS batteries continued to grow, primarily attributable to (i) our technological advantages, economies of scale, and strong customer base in the ESS battery sector, and (ii) the continuous robust growth of market demand for ESS batteries, propelled by clean energy transition initiatives across countries. These initiatives drive the increasing proportion of installed capacity of wind and solar power, higher requirements for power system flexibility, advancements in energy storage technology, and declining ESS costs.

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Gross Profit and Gross Profit Margin

The following table sets forth the breakdown of our gross profit and gross profit margin by product type for the years indicated.

	For the year ended December 31,					
	2022		2023		2024	
	<i>Gross profit</i>	<i>Gross profit margin</i>	<i>Gross profit</i>	<i>Gross profit margin</i>	<i>Gross profit</i>	<i>Gross profit margin</i>
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
EV batteries	33,418,887	14.1	51,705,338	18.1	60,580,055	23.9
ESS batteries	6,282,252	14.0	11,174,430	18.7	15,376,457	26.8
Battery materials and recycling	5,525,484	21.2	3,824,539	11.4	3,017,019	10.5
Battery mineral resources . .	551,787	12.2	1,536,261	19.9	468,392	8.5
Others	12,185,798	73.9	8,694,347	60.3	9,051,672	51.8
Total	<u>57,964,208</u>	<u>17.6</u>	<u>76,934,915</u>	<u>19.2</u>	<u>88,493,595</u>	<u>24.4</u>

Our gross profit increased by 32.7% from RMB58.0 billion in 2022 to RMB76.9 billion in 2023, and further increased by 15.0% to RMB88.5 billion in 2024. Our gross profit margin increased from 17.6% in 2022 to 19.2% in 2023, and further increased to 24.4% in 2024. Our gross profit margin showed continued growth during the Track Record Period, mainly because (i) the unit economics of our battery products remained stable while increasing, driven by the scaled commercial application of our innovative products, such as Qilin battery and Shenxing battery, which gained wide customer recognition following their market launch; and (ii) the average selling price of our battery products was reduced in response to decrease in the cost of raw materials including lithium carbonate. This, combined with our stable and improving unit economics, led to the consequent increase of our gross profit margin.

For more information, please refer to “Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss — Gross Profit and Gross Profit Margin.”

Profits for the Year

Our profit for the year increased by 41.5% from RMB33.5 billion in 2022 to RMB47.3 billion in 2023, and further increased by 16.8% to RMB55.3 billion in 2024. For details, see “Financial Information — Year-to-Year Comparison of Results of Operations.”

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Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	<i>RMB'000</i>		
Current assets	387,734,858	449,788,002	510,142,088
Non-current assets	213,217,495	267,380,039	276,516,035
Total assets	600,952,353	717,168,041	786,658,123
Current liabilities	295,761,421	287,001,071	317,171,534
Non-current liabilities	128,281,771	210,283,820	196,030,416
Total liabilities	424,043,192	497,284,891	513,201,950
Net current assets	91,973,437	162,786,931	192,970,554
Net assets	176,909,161	219,883,150	273,456,173

During the Track Record Period, our net assets continued to increase. Our net assets increased from RMB176.9 billion as of December 31, 2022 to RMB219.9 billion as of December 31, 2023, mainly because (i) we recorded profit for the year of RMB47.3 billion in 2023 and (ii) the capital injection from our Shareholders in the same year resulted in an increase in net assets of RMB28.0 billion, partially offset by dividends declared of RMB6.6 billion.

Our net assets increased from RMB219.9 billion as of December 31, 2023 to RMB273.5 billion as of December 31, 2024, mainly because we recorded profit for the year of RMB55.3 billion in 2024, partially offset by dividends declared of RMB27.9 billion.

For details of the fluctuation in key items of our consolidated statements of financial position and net current assets during the Track Record Period, see “Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position.”

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Summary of Consolidated Statements of Cash Flow

The following table sets forth a summary of our consolidated cash flow statements for the years indicated.

	For the year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>		
Net cash generated from operating activities	61,208,844	92,826,125	96,990,344
Net cash used in investing activities . . .	(64,139,843)	(29,187,763)	(48,875,311)
Net cash generated from/(used in) financing activities	82,266,431	14,716,362	(14,524,234)
Net increase in cash and cash equivalents	79,335,432	78,354,724	33,590,799
Cash and cash equivalents at beginning of the year	75,505,735	157,629,318	238,165,487
Effect of exchange rate changes	2,788,151	2,181,445	(1,596,552)
Cash and cash equivalents at the end of the year	<u>157,629,318</u>	<u>238,165,487</u>	<u>270,159,734</u>

KEY FINANCIAL RATIOS

The following table set forth our key financial ratios as of the dates or for the years indicated.

	For the year ended/as of December 31,		
	2022	2023	2024
Net profit margin	10.2%	11.8%	15.3%
Weighted average return on equity (ROE) ⁽¹⁾	24.7%	24.3%	24.7%
Current ratio ⁽²⁾	1.3	1.6	1.6
Quick ratio ⁽³⁾	1.1	1.4	1.4
Debt-to-asset ratio ⁽⁴⁾	70.6%	69.3%	65.2%
Interest-bearing debt ratio ⁽⁵⁾	16.8%	17.6%	17.4%
Operating cash flow conversion ratio ⁽⁶⁾ .	1.8	2.0	1.8

Notes:

- (1) Weighted average return on equity (ROE) is calculated by dividing the profit attributable to owners of the Company for the year by the monthly weighted average of equity attributable to owners of the Company.

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- (2) The current ratio is calculated as current assets divided by current liabilities as of the relevant date.
- (3) The quick ratio is defined as current assets minus inventories, divided by current liabilities as of the relevant date.
- (4) The debt-to-asset ratio is calculated by dividing the total liabilities by the total assets as of the relevant date.
- (5) The interest-bearing debt ratio is calculated as interest-bearing debt divided by total assets as of the relevant date.
- (6) Operating cash flow conversion ratio is defined as the ratio of the cash flow generated from operating activities during the year over the profit for the same year.

RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, including (i) risks relating to our industry and business, (ii) risks relating to financial, accounting and tax matters, (iii) risks relating to our operations, (iv) risks relating to government regulations, and (v) risks relating to the [REDACTED], which are set out in the section headed “Risk Factors” in this document. You should read that section in its entirety carefully before you decide to [REDACTED] in the [REDACTED]. Some of the major risks we face include, but are not limited to: (i) the demand in the end markets of our industry is constantly changing. If we are unable to respond effectively to these changes, our business, results of operations and financial condition will be materially and adversely affected, (ii) if we fail to maintain technology leadership in the battery industry, our operating results may be adversely affected, (iii) we face risks of changing new energy industry policies, (iv) our business faces competition, (v) we may face risks if there are quality issues with our products, (vi) if we are unable to retain our existing customers or attract new customers, our business, financial condition and results of operations could be materially and adversely affected, (vii) we face uncertainties and risks in overseas manufacturing and operations, and (viii) price fluctuation and inadequate supply of materials and equipment for our production could adversely affect our business, financial condition and results of operations.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Development

Product Launch

On April 21, 2025, we launched three major products that achieved multidimensional breakthroughs and innovations in product performance, chemical systems, and pack configurations. Among them: the second-generation Shenxing battery featuring superfast charging represents a breakthrough in product performance as the world’s first LFP battery combining an 800 km range with a 12C peak charging rate; the Naxtra battery achieves a breakthrough in chemical systems as the world’s first mass-produced sodium-ion power battery, maintaining high energy retention in extreme cold conditions and demonstrating exceptional safety performance in rigorous testing; and the dual/multi-core battery achieves a

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combined breakthrough in chemical systems and pack configurations through flexible combinations of multiple chemical systems and cross-system, cross-capacity, cross-voltage free configurations, overcoming the limitations of single chemical systems while leveraging synergistic advantages, making it suitable for different regions, end applications, and price segments to comprehensively meet customer and end-user needs.

Regulatory Update

Since 2025, the U.S. government has announced certain tariffs and relevant new policies affecting various countries or regions as well as industries, thereby creating uncertainties to the economic development of various countries and global trade. Specifically, the additional tariffs on imports from China imposed by the U.S. government has been raised to 20% starting from March 4, 2025. On March 26, 2025, the U.S. government announced to impose a 25% tariff on automobiles and certain automobile parts imported from all countries pursuant to authority granted by Section 232 of the Trade Expansion Act of 1962. In April 2025, the U.S. announced new reciprocal tariffs on all imports into the United States and made several subsequent modifications. The aforementioned tariff policies have been rapidly evolving. Currently, we cannot accurately assess the potential impact of such policies on our business, and we will closely monitor the relevant situation. See also “Risk Factors — Risks Relating to Our Operations — Policies and regulations affecting, among other things, international trade and investment may adversely affect our business and results of operations” for the details of such tariff policies.

Unaudited Financial Information for the Three Months Ended March 31, 2025

Our revenue increased by 6.2% from RMB79.8 billion for the three months ended March 31, 2024 to RMB84.7 billion for the same period of 2025, primarily driven by the increasing customer demand for our products. Our revenue from sales of EV batteries increased by 14.0% from RMB55.4 billion for the three months ended March 31, 2024 to RMB63.2 billion for the same period of 2025, primarily attributable to robust sales volume growth of our EV batteries, partially offset by lower average selling price of our EV batteries. Our revenue from sales of ESS batteries decreased by 15.3% from RMB13.6 billion for the three months ended March 31, 2024 to RMB11.5 billion for the same period of 2025, mainly due to a reduction in our average selling price of ESS batteries in response to decrease in the prices of raw materials, including lithium carbonate, despite continuous sales volume increase.

Our cost of sales increased by 4.6% from RMB61.2 billion for the three months ended March 31, 2024 to RMB64.0 billion for the same period of 2025, primarily due to increased sales volume, partially offset by a decline in raw material prices.

Our gross profit increased by 11.5% from RMB18.5 billion for the three months ended March 31, 2024 to RMB20.7 billion for the same period of 2025. Our gross profit margin increased from 23.3% for the three months ended March 31, 2024 to 24.4% for the same period of 2025, representing a slight improvement of our gross profit margin.

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Our profit for the period increased by 31.9% from RMB11.3 billion for the three months ended March 31, 2024 to RMB14.9 billion for the same period of 2025, primarily attributable to our revenue growth driven by increased sales volume in 2024, resulting in an increase in gross profit. Our net profit margin was 14.1% and 17.5% for the three months ended March 31, 2024 and 2025, respectively, representing continuous growth.

Our total assets increased from RMB786.7 billion as of December 31, 2024 to RMB820.1 billion as of March 31, 2025, primarily because our total assets increased in line with our business growth. As our business expanded, our total liabilities increased from RMB513.2 billion as of December 31, 2024 to RMB531.0 billion as of March 31, 2025. Our net assets increased from RMB273.5 billion as of December 31, 2024 to RMB289.1 billion as of March 31, 2025, primarily attributable to the net profit of RMB14.9 billion recorded for the three months ended March 31, 2025.

For the three months ended March 31, 2025, net cash generated from operating activities was RMB32.9 billion, primarily due to proceeds from sales of goods of RMB111.1 billion, partially offset by (i) cash paid for material and services of RMB69.6 billion, and (ii) cash paid for salaries of RMB7.2 billion.

Our unaudited condensed consolidated interim financial information for the three months ended March 31, 2025 has been reviewed by our Reporting Accountant in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Auditing and Assurance Standards Board. For details, see Appendix IA to this document.

No Material Adverse Change

Our Directors confirm that, up to the date of this Document, there had been no material adverse change in our business, financial condition and results of operations since December 31, 2024, which is the end date of the years reported on in the Accountants’ Report as set out in Appendix I to this document, and there is no event since December 31, 2024 which would materially affect the information in the Accountants’ Report as set out in Appendix I to this document.

Dividend Distribution for 2024

Our Cash Dividend Distribution Plan for 2024 was reviewed and approved at the Annual General Meeting of 2024 held on April 8, 2025, declaring a cash dividend of RMB45.53 (tax inclusive) per 10 Shares to be paid to all Shareholders. This dividend distribution was completed on April 22, 2025.

SUMMARY

Share Repurchase Mandate

On April 7, 2025, our Company convened a board meeting and approved, among other matters, a share repurchase mandate through centralized bidding (the “**Share Repurchase Mandate**”). Under the Share Repurchase Mandate, we will allocate between RMB4 billion and RMB8 billion of our own or raised funds to repurchase ordinary shares at a price not exceeding 150% of the average trading price of our A Shares for the 30 trading days immediately preceding the approval of the share repurchase resolutions by the Board. The repurchase period is within 12 months following the approval of the Share Repurchase Mandate. Under the Share Repurchase Mandate, as of [April 28], 2025, we completed repurchase of [2,085,607] Shares through centralized bidding, representing [0.0474]% of our total share capital as of the same date, with a total transaction amount of RMB[491,881,587] (excluding transaction fees).

[REDACTED]

The statistics in the following table are based on the assumptions that (i) the [REDACTED] has been completed and [REDACTED] H Shares are newly [REDACTED] in the [REDACTED], and (ii) the [REDACTED] for the [REDACTED] are not exercised:

	Based on an [REDACTED] of HK\$[REDACTED] per H Share
[REDACTED] of our H Shares	HK\$[REDACTED]
Market capitalization of our A Shares ⁽¹⁾	RMB[1,138,356] million
Unaudited [REDACTED] adjusted consolidated net tangible assets per Share ⁽²⁾	RMB[REDACTED]

Notes:

- (1) Calculated based on the average closing price of the A Shares of RMB259.46 per share for the five business days immediately preceding the Latest Practicable Date and the total share capital of [4,403,394,911] A Shares as of the date of this document and excluding [15,991,524] treasury shares.
- (2) The unaudited [REDACTED] adjusted consolidated net tangible assets attributable to owners of the Company per Share is arrived at after the adjustments referred to in the section headed “Unaudited [REDACTED] Financial Information” in Appendix II to this document and on the basis that [REDACTED] Shares (representing 4,403,466,458 Shares in issue as of December 31, 2024, excluding 16,063,071 treasury shares as of December 31, 2024, adding [REDACTED] [REDACTED]) were in issue, assuming that the [REDACTED] had been completed on December 31, 2024 but does not take into account of any Shares which may be allotted and issued by the Company upon the exercise of the [REDACTED], any Shares which may be issued by our Company upon the exercise of any options may be granted under the Share Incentive Plans or any Shares which may be issued by our Company upon the exercise of any options may be granted under the Share Incentive Plans or any Shares which may be issued or repurchased by the Company.
- (3) No adjustment has been made to the unaudited [REDACTED] adjusted consolidated net tangible assets to reflect any trading results or other transactions of our Group entered into subsequent to December 31, 2024. For the calculation of the unaudited [REDACTED] adjusted consolidated net tangible assets per Share, see “Unaudited [REDACTED] Financial Information” in Appendix II to this document.

SUMMARY

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], and at an [REDACTED] of HK\$[REDACTED] per Share, assuming that the [REDACTED] is not exercised.

We currently intend to apply these [REDACTED] for the following purposes:

- Approximately [REDACTED]% or HK\$[REDACTED] will be used to advance the construction of Phase I and II of our Hungary project; and
- Approximately [REDACTED]% or HK\$[REDACTED] will be used for working capital and other general corporate purposes.

For further information relating to our future plans and [REDACTED] from the [REDACTED], see “Future Plans and [REDACTED]” in this document.

OUR LISTING ON THE CHINEXT OF THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Since 2018, our Company has been listed on the ChiNext of the Shenzhen Stock Exchange. Since our listing on the ChiNext of the Shenzhen Stock Exchange and as of the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the [REDACTED]’ attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Advisors are of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would cause them to disagree with the Directors’ confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange.

Our Company seeks to be [REDACTED] on the Stock Exchange in order to further advance our global strategic layout, establish an international capital operation platform, and enhance our comprehensive competitiveness. For details, see “Business — Growth Strategies” and “Future Plans and [REDACTED].”

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SUMMARY

According to applicable laws in mainland China and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations: recovery of the losses incurred in the previous year; allocations to the statutory reserve equivalent to 10% of our profit after tax; allocations to a discretionary common reserve of certain percentage of our profit after tax that are approved by Shareholders’ general meeting. If there are no major investment plans or significant cash expenditures, the profits distributed in cash shall be no less than 10% of the distributable profits achieved in the year. At the same time, our cumulative profits distributed in cash over the past three years shall be no less than 30% of the average annual distributable profits achieved in the past three years.

[REDACTED] EXPENSES

[REDACTED] expenses to be borne by us are estimated to be approximately HK\$[REDACTED] (based on an [REDACTED] of HK\$[REDACTED] per Share), representing approximately [REDACTED]% of the estimated [REDACTED] from the [REDACTED] assuming no Shares are issued pursuant to the [REDACTED]. The [REDACTED] expenses consist of (i) [REDACTED]-related expenses, including [REDACTED], of approximately HK\$[REDACTED], and (ii) non-[REDACTED]-related expenses of approximately HK\$[REDACTED], comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK\$[REDACTED], and (b) other fees and expenses of approximately HK\$[REDACTED]. During the Track Record Period, we did not incur any [REDACTED] expenses. After the Track Record Period, approximately HK\$[REDACTED] is expected to be charged to our consolidated statements of profit or loss, and approximately HK\$[REDACTED] is expected to be accounted for as a deduction from equity upon the [REDACTED]. We do not believe any of the above fees or expenses are material or are unusually high for our Group. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.