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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025 AND PROPOSED AMENDMENT OF ARTICLES OF ASSOCIATION

The board (the "**Board**") of directors (the "**Directors**") of Ganfeng Lithium Group Co., Ltd. (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2025 (the "**Reporting Period**").

FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	**2025 (Unaudited) *RMB'000***	2024 (Unaudited) *RMB'000*
Revenue	4(a)	**8,257,668**	9,524,822
Cost of sales		**(7,367,394)**	(8,462,137)
Gross profit		**890,274**	1,062,685
Other income and gains	4(b)	**983,607**	531,211
Selling and distribution expenses		**(85,441)**	(68,395)
Administrative expenses		**(1,072,342)**	(1,079,982)
Other expenses	5	**(710,750)**	(1,294,653)
Finance costs	6	**(703,881)**	(506,783)
Share of profits and losses of:			
Associates		**(15,613)**	156,699
Joint ventures		**(229,452)**	194,937
Loss before tax	7	**(943,598)**	(1,004,281)
Income tax credit/(expense)	8	**157,215**	(60,515)
Loss for the period		**(786,383)**	(1,064,796)
Attributable to:			
Owners of the parent		**(536,213)**	(759,135)
Non-controlling interests		**(250,170)**	(305,661)
		(786,383)	(1,064,796)

	Notes	**2025** **(Unaudited)** ***RMB'000***	2024 (Unaudited) *RMB'000*
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
– For loss for the period	10	**RMB(0.27)**	RMB(0.38)
Diluted			
– For loss for the period	10	**RMB(0.27)**	RMB(0.38)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Loss for the period	**(786,383)**	(1,064,796)
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	**977**	2,258
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	**(56,998)**	–
Reclassification adjustments for gains included in the consolidated statement of profit or loss	**24,016**	–
Income tax effect	**4,947**	–
Exchange differences on translation of foreign operations	**(134,714)**	196,296
Share of other comprehensive income of associates and joint ventures	**4,823**	(637)
Other comprehensive income for the period, net of tax	**(156,949)**	197,917
Total comprehensive income for the period, net of tax	**(943,332)**	(866,879)
Attributable to:		
Owners of the parent	**(672,807)**	(581,651)
Non-controlling interests	**(270,525)**	(285,228)
	(943,332)	(866,879)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2025

	Note	**30 June 2025 (Unaudited) *RMB'000***	31 December 2024 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**38,215,035**	35,872,704
Investment properties		**5,678**	6,018
Right-of-use assets		**1,546,505**	1,610,727
Goodwill		**182,011**	182,011
Other intangible assets		**20,390,363**	20,215,779
Investments in joint ventures		**2,613,453**	2,816,762
Investments in associates		**8,869,628**	10,510,023
Financial assets at fair value through profit or loss		**2,305,877**	2,567,746
Equity investments designated at fair value through other comprehensive income		**64,414**	50,500
Amounts due from related parties		**1,213,991**	1,198,644
Deferred tax assets		**1,224,911**	1,163,054
Pledged deposits		**58,033**	83,733
Other non-current assets		**2,396,011**	2,551,720
Total non-current assets		**79,085,910**	78,829,421

	Note	30 June 2025 (Unaudited) *RMB'000*	31 December 2024 (Audited) *RMB'000*
CURRENT ASSETS			
Inventories		**10,348,353**	8,613,143
Trade and bills receivables	11	**3,768,636**	3,866,380
Debt investments at fair value through other comprehensive income	12	**912,416**	859,742
Amounts due from related parties		**108,877**	183,639
Prepayments, other receivables and other assets		**3,112,589**	2,448,131
Financial assets at fair value through profit or loss		**176,985**	15,494
Derivative financial instruments		**9,718**	354
Pledged deposits		**349,264**	374,755
Cash and cash equivalents		**9,716,932**	5,641,238
Total current assets		**28,503,770**	22,002,876
CURRENT LIABILITIES			
Trade and bills payables	13	**10,070,213**	8,115,855
Other payables and accruals		**6,564,802**	6,567,889
Bonds payables		**756,795**	749,049
Derivative financial instruments		**8,309**	32,385
Interest-bearing bank and other borrowings		**20,446,082**	15,912,431
Amounts due to related parties		**38,868**	119,690
Income tax payable		**138,546**	172,618
Total current liabilities		**38,023,615**	31,669,917
NET CURRENT LIABILITIES		**(9,519,845)**	(9,667,041)
TOTAL ASSETS LESS CURRENT LIABILITIES		**69,566,065**	69,162,380

	Note	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**16,838,060**	15,324,781
Bonds payables		**1,149,380**	354,499
Deferred income		**725,613**	700,270
Deferred tax liabilities		**1,068,941**	1,243,213
Amounts due to related parties		**3,365,821**	3,218,747
Provision		**279,492**	257,631
Other non-current liabilities		**1,543,848**	475,342
Total non-current liabilities		**24,971,155**	21,574,483
Total liabilities		**62,994,770**	53,244,400
Net assets		**44,594,910**	47,587,897
EQUITY			
Equity attributable to owners of the parent			
Share capital		**2,017,168**	2,017,168
Treasury shares		**(525,529)**	(560,840)
Reserves		**38,729,143**	40,326,060
		40,220,782	41,782,388
Non-controlling interests		**4,374,128**	5,805,509
Total equity		**44,594,910**	47,587,897

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

Going concern basis

As at 30 June 2025, the Group's current liabilities exceeded its current assets by RMB9,519,845,000. 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 30 June 2025. Accordingly, the directors of the Company are of the opinion that it is appropriate to adopt the going concern basis in preparing the interim condensed consolidated financial information.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRSs Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21	*Lack of Exchangeability*

The nature and impact of the amended IFRSs Accounting Standard are described below:

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 exchange ability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

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

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

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

(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.

Six months ended 30 June 2025	Lithium metal and compound *RMB'000* (Unaudited)	Lithium battery *RMB'000* (Unaudited)	Lithium ore resource and others *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue *(note 4)*				
Sales to external customers	**4,965,769**	**3,081,942**	**209,957**	**8,257,668**
Intersegment sales	**229,381**	**37**	**483,957**	**713,375**
Total segment revenue	**5,195,150**	**3,081,979**	**693,914**	**8,971,043**
Reconciliation:				
Elimination of intersegment sales				**(713,375)**
Revenue				**8,257,668**
Segment results	**34,646**	**158,202**	**(587,630)**	**(394,782)**
Reconciliation:				
Interest income				**148,035**
Finance costs (other than interest on lease liabilities)				**(696,851)**
Loss before tax				**(943,598)**

Six months ended 30 June 2024	Lithium metal and compound *RMB'000* (Unaudited)	Lithium battery *RMB'000* (Unaudited)	Lithium ore resource and others *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue *(note 4)*				
Sales to external customers	6,708,579	2,708,183	108,060	9,524,822
Intersegment sales	195,661	852	496,850	693,363
Total segment revenue	6,904,240	2,709,035	604,910	10,218,185
Reconciliation:				
Elimination of intersegment sales				(693,363)
Revenue				9,524,822
Segment results	(201,273)	(109,621)	(366,283)	(677,177)
Reconciliation:				
Interest income				176,668
Finance costs (other than interest on lease liabilities)				(503,772)
Loss before tax				(1,004,281)

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2025 and 31 December 2024, respectively.

	Lithium metal and compound *RMB'000*	**Lithium battery** *RMB'000*	**Lithium ore resource and others** *RMB'000*	**Total** *RMB'000*
Segment assets				
30 June 2025 (Unaudited)	34,032,699	26,441,208	47,115,773	107,589,680
31 December 2024 (Audited)	31,740,887	21,669,162	47,422,248	100,832,297
Segment liabilities				
30 June 2025 (Unaudited)	33,939,074	18,634,382	10,421,314	62,994,770
31 December 2024 (Audited)	28,465,089	14,461,728	10,317,583	53,244,400

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

4. REVENUE, OTHER INCOME AND GAINS

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

(a) Revenue

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**8,257,612**	9,524,604
Revenue from other sources		
Gross rental income from investment property operating leases:	**56**	218
Total revenue	**8,257,668**	9,524,822

For the six months ended 30 June 2025

Segments	Lithium metal and compound *RMB'000* (Unaudited)	Lithium battery *RMB'000* (Unaudited)	Lithium ore resource and others *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Types of goods or services				
Sale of industrial products	**4,903,335**	**3,008,461**	**209,957**	**8,121,753**
Storage at users' end services	**–**	**73,691**	**–**	**73,691**
Processing services	**62,168**	**–**	**–**	**62,168**
Total	**4,965,503**	**3,082,152**	**209,957**	**8,257,612**
Geographical markets				
Mainland China	**4,564,276**	**2,793,983**	**187,541**	**7,545,800**
South Korea	**214,083**	**198**	**–**	**214,281**
Europe	**42,879**	**20,318**	**–**	**63,197**
Asia other than South Korea	**136,540**	**250,329**	**–**	**386,869**
Other countries/regions	**7,725**	**17,324**	**22,416**	**47,465**
Total	**4,965,503**	**3,082,152**	**209,957**	**8,257,612**
Timing of revenue recognition				
At a point in time	**4,965,503**	**3,008,461**	**209,957**	**8,183,921**
Revenue recognised over time	**-**	**73,691**	**-**	**73,691**
Total revenue from contracts with customers	**4,965,503**	**3,082,152**	**209,957**	**8,257,612**

For the six months ended 30 June 2024

Segments	Lithium metal and compound *RMB'000* (Unaudited)	Lithium battery *RMB'000* (Unaudited)	Lithium ore resource and others *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Types of goods or services				
Sale of industrial products	6,654,106	2,708,183	108,060	9,470,349
Processing services	54,255	–	–	54,255
Total	6,708,361	2,708,183	108,060	9,524,604
Geographical markets				
Mainland China	4,274,546	2,524,331	80,441	6,879,318
South Korea	1,667,898	69	–	1,667,967
Europe	513,208	15,435	–	528,643
Asia other than South Korea	187,975	127,294	–	315,269
North America	20,139	27,975	–	48,114
Other countries/regions	44,595	13,079	27,619	85,293
Total	6,708,361	2,708,183	108,060	9,524,604
Timing of revenue recognition				
At a point in time	6,708,361	2,708,183	108,060	9,524,604

(b) Other income and gains

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Government grants	**193,634**	267,367
Sales of raw materials	**64,159**	43,015
Bank interest income	**85,093**	138,648
Interest income from other non-current assets	**27,404**	27,239
Interest income from associates and a joint venture	**35,538**	10,781
Dividends and interest income from financial assets at fair value through profit or loss	**755**	589
Others	**18,296**	14,248
Total other income	**424,879**	501,887
Gains		
Gain on partial disposal of equity in an associate	**274,530**	–
Gain on disposal of subsidiaries	**224,446**	–
Gain on disposal of financial assets at fair value through profit or loss	**59,752**	9,439
Gain on remeasurement of previously held interests in step acquisition of subsidiaries	–	19,885
Total gains	**558,728**	29,324
Total other income and gains	**983,607**	531,211

5. OTHER EXPENSES

The detailed breakdown of other expenses is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of raw materials sold	**49,844**	39,296
Fair value losses, net:		
Fair value losses on financial assets at fair value through profit or loss and derivative financial instruments	**277,690**	873,886
Impairment of trade receivables, net	**1,291**	5,337
Net loss on disposal of items of property, plant and equipment	**776**	2,000
Write-down of inventories to net realisable value	**194,644**	82,627
Exploration expenditure	**30,917**	48,840
Foreign exchange differences, net	**148,640**	238,755
Others	**6,948**	3,912
Total	**710,750**	1,294,653

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank loans	**443,809**	353,546
Interest on other borrowings	**244,978**	158,955
Interest on lease liabilities	**10,284**	3,011
Interest on discounted bank notes	**18,029**	22,478
Interest expense on bond payables	**26,906**	2,245
Total interest expense on financial liabilities not at fair value through profit or loss	**744,006**	540,235
Interest capitalised	**(40,125)**	(33,452)
Total	**703,881**	506,783

7. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold and services	**7,367,394**	8,462,137
Cost of raw materials sold	**49,844**	39,296
Depreciation of property, plant and equipment	**841,769**	531,774
Depreciation of right-of-use assets	**19,502**	28,223
Amortisation of intangible assets	**70,245**	22,447
Depreciation of investment properties	**340**	330
Research and development costs:		
Current year expenditure	**433,663**	459,115
Equity-settled share option expense	**56,910**	149,466
Foreign exchange differences, net	**148,640**	238,755
Impairment of financial assets, net:		
Impairment of trade receivables, net	**1,291**	5,337
Write-down of inventories to net realisable value	**194,644**	82,627
Fair value losses, net:		
Fair value losses on financial assets at fair value through profit or loss and derivative financial instruments	**277,690**	873,886
Bank interest income	**85,093**	138,648
Net losses on disposal of items of property, plant and equipment	**776**	2,000

8. 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.

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current corporate income tax	**75,284**	11,150
Deferred tax	**(232,499)**	49,365
Total	**(157,215)**	60,515

The provision for Mainland China 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 Mainland China, which were taxed at a preferential rate of 15%. Overseas subsidiaries of the Group accrued and paid 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 for 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
Ganfeng LiEnergy Technology Co., Ltd.	2024/10/28-2027/10/27
Jiangxi Ganfeng Recycling Technology Co., Ltd.	2024/10/28-2027/10/27

Name	Effective period
Yichun Ganfeng Lithium 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

Meanwhile, 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., Qinghai Ganfeng Lithium Industry Co., Ltd., Ganzhou Ganfeng Renewable Resources Co., Ltd., Sichuan Ganfeng Lithium Industry Co., Ltd., Qinghai China Aviation Resources Co., Ltd. and Xianghuang Banner Meng Gold Mine Industry Development Co., Ltd. are 15%, and such tax concession will expire on 31 December 2030.

9. DIVIDENDS

The board of directors did not recommend any interim dividend in respect of the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

The proposed final dividend of RMB0.15 (tax included) per ordinary share for the year ended 31 December 2024 was approved by the shareholders at the annual general meeting of the Company on 26 June 2025.

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,004,568,550 (30 June 2024: 2,005,099,517) outstanding during the period, as adjusted to reflect the rights issue during the period.

The calculation of the diluted loss per share amount is based on the loss for the period 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 period, as used in the basic loss 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 loss per share are based on:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation:		
From continuing operations	**(536,213)**	(759,135)
Loss attributable to ordinary equity holders of the parent	**(536,213)**	(759,135)
Attributable to:		
Continuing operations	**(536,213)**	(759,135)

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic loss per share calculation	**2,004,568,550**	2,005,099,517
Effect of dilution – weighted average number of ordinary shares:		
– Share option scheme	**–**	–
Total	**2,004,568,550**	2,005,099,517

Because the diluted loss per share amount is increased when taking the share option scheme into account, the share option scheme had an anti-dilutive effect on the basic loss per share for the period and were ignored in the calculation of diluted loss per share. Therefore, the diluted loss per share amounts are based on the loss for the period and the loss attributable to continuing operations of RMB536,213,000 and the weighted average number of ordinary shares of 2,004,568,550 in issue during the period.

11. TRADE AND BILLS RECEIVABLES

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**3,737,243**	3,866,380
Bills receivables	**31,393**	–
Total	**3,768,636**	3,866,380

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

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 6 months	**3,342,540**	3,645,752
More than 6 months but less than 1 year	**257,805**	137,785
1 to 2 years	**120,416**	54,324
2 to 3 years	**12,166**	24,994
Over 3 years	**4,316**	3,525
Total	**3,737,243**	3,866,380

12. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Debt investments at fair value through other comprehensive income:		
Bills receivables	**912,416**	859,742

The Group's business model for the management of bills receivables 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 30 June 2025, the Group's debt investments at fair value through other comprehensive income with a carrying amount of RMB96,506,000 (31 December 2024: RMB112,633,000) were pledged to issue banks' acceptance bills and letters of credit.

13. TRADE AND BILLS PAYABLES

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**7,164,597**	4,685,064
Bills payables	**2,905,616**	3,430,791
Total	**10,070,213**	8,115,855

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

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**5,937,886**	3,361,928
3 to 6 months	**773,246**	1,010,208
6 to 12 months	**290,363**	187,142
1 to 2 years	**107,381**	68,450
2 to 3 years	**55,721**	57,336
Total	**7,164,597**	4,685,064

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

14. EVENTS AFTER THE REPORTING PERIOD

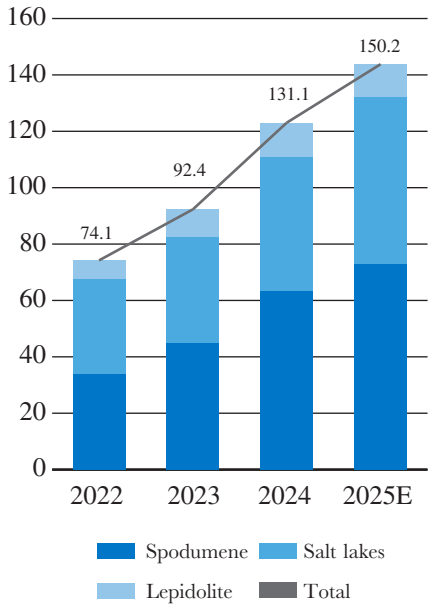
The fourth meeting of the sixth session of the Board of the Company was held on 12 August 2025, at which the "Resolution on GFL International and LAR jointly integrating the joint venture and providing financial assistance to LAR" was considered and approved, agreeing that GFL International Co., Limited and Lithium Argentina AG ("**LAR**") would jointly develop the Pozuelos-Pastos Grandes ("**PPG**") salt lake basin in Argentina. Through the integration of Millennial, the Company's wholly-owned PPG lithium salt lake project, the jointly-held Pastos Grandes ("**PG**") lithium salt lake project (owned as to 14.89% by the Company and 85.11% by LAR), and the Puna lithium salt lake project (owned as to 35% by the Company and 65% by LAR) would be consolidated under Millennial Lithium Corp (the three salt lake projects would be collectively referred to as the "**PPGS Lithium Salt Lake Project**" upon integration). Following the integration, GFL International Co., Limited and Lithium Argentina AG will hold 67% and 33% ownership interests in Millennial Lithium Corp, respectively, and will jointly hold the PPGS Lithium Salt Lake Project in proportion to their respective proportionate shares. For further details in relation to the projects, please refer to the announcement of the Company dated 12 August 2025.

Industry Review

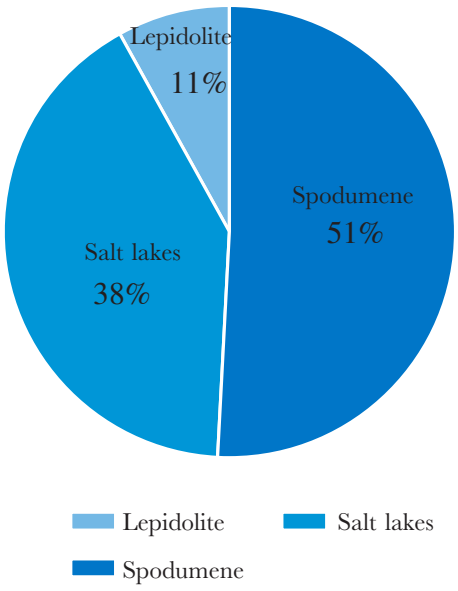
1. Analysis of lithium resource market

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 1,502,000 tons of lithium carbonate equivalent ("**LCE**") in 2025, representing a year-on-year increase of 14.6%, among which 760,000 tons of LCE, 567,000 tons of LCE and 175,000 tons of LCE are sourced from spodumene, salt lakes and lepidolite, accounting for 51%, 38% and 11%, respectively.

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



2025 Global supply of lithium resource by sources



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 June 2025, the domestic CIF price of 5%-6% spodumene concentrate was around USD620-640 per ton, representing a decrease of 25%-31% from the price of USD850-900 per ton at the beginning of 2025. In Australia, being an important source of global lithium resources, the supply of lithium ore from major producers is relatively stable. In the first half of 2025, Australian mines actively promoted cost optimization efforts to adapt to the current market environment. Although overall production remained stable, there was still some pressure on production and operations under the current market conditions, and it is expected that the supply of lithium pyroxene in Australia for the whole year 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. Despite weak global lithium prices in the first half of 2025, African lithium spodumene exports performed well and the trade market was active. Benefiting from the advantage of low raw material costs, African miners remain optimistic about the long-term prospects of the lithium resource market. 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. However, due to the poor development environment (high altitude, remote location, poor infrastructure, etc.), sustainable use of water resources, technical and technological challenges, and community relations maintenance issues of the salt lake projects in Argentina, the overall development progress is relatively slow. Under the current short-term price pressure, companies with technological breakthrough capabilities and resource advantages will be the first to break through. 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

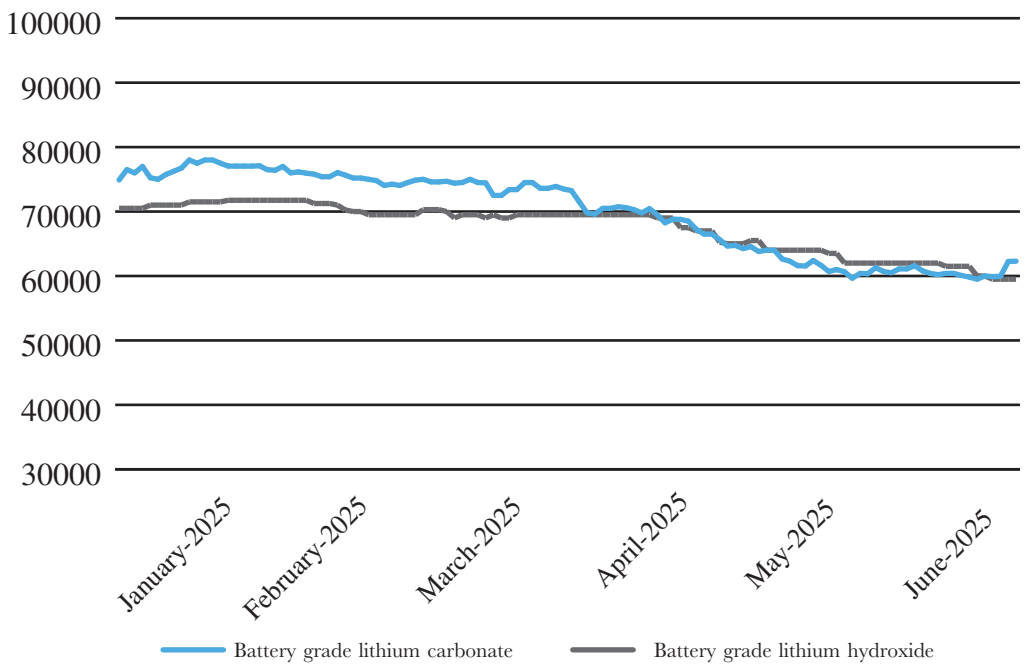
China has the world's largest proven lepidolite mine, with a significant number of lithium resource projects in Jiangxi. Compared with extracting lithium from spodumene concentrate, extracting lithium from lepidolite has certain advantages in terms of resource self-sufficiency and transportation cost. 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 2025, lithium compound prices overall showed a downward trend due to supply-demand mismatches. Downstream replenishment of inventories before the Chinese New Year combined with the gradual resumption of production at lithium salt plants from January to April led to a recovery in downstream demand, keeping lithium compound prices above RMB70,000 per ton; From April to June, lithium salt production gradually increased, Australian lithium ore prices began to decline, and overseas tariff policies led to a decrease in downstream export expectations, causing lithium compound prices to enter a downward trend. By late June, lithium carbonate prices began to stabilize. Specific movements are shown in the following graph:

Spot prices of lithium carbonate and lithium hydroxide in China

(Unit: RMB per ton)

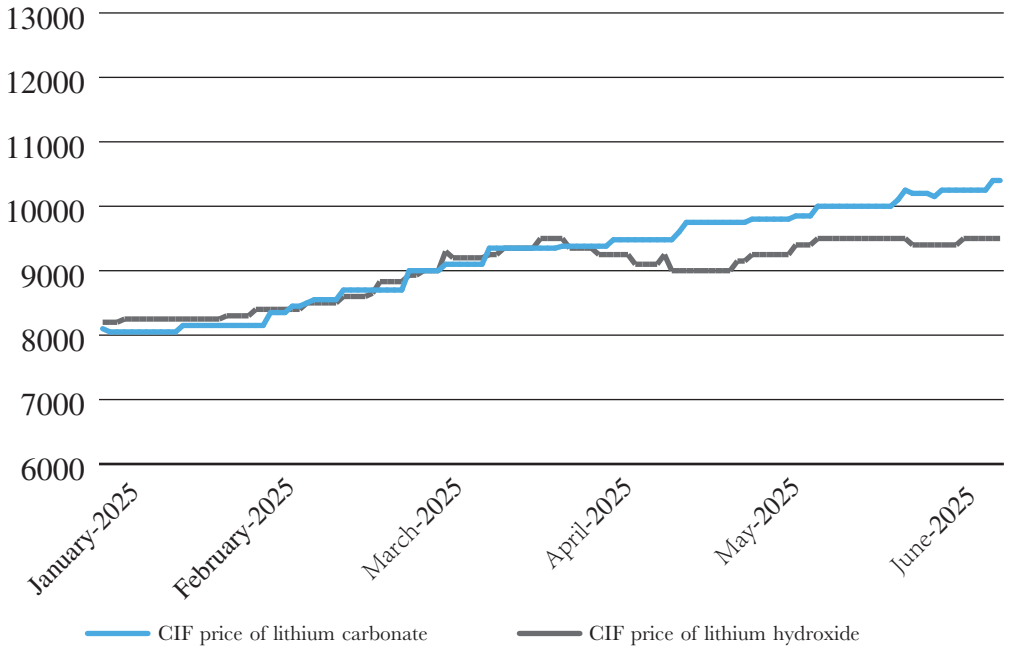


Source: Fastmarkets

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

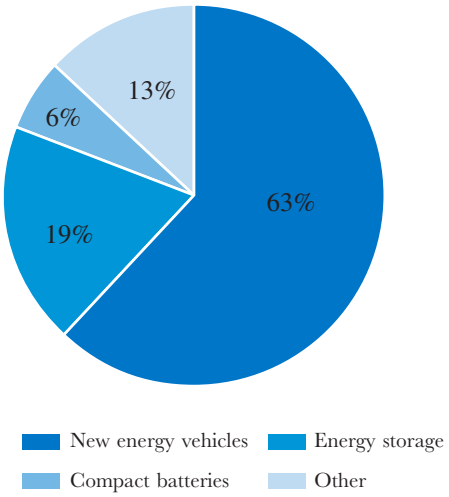
(Unit: USD per ton)



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 data from Yangtze Securities Research Institute, the global demand for lithium resources in 2025 is expected to reach 1,450,000 tons of LCE, of which demand from new energy vehicles is expected to rise to 63%, and demand from energy storage is expected to rise to 19%.

Expected global demand for lithium resources in 2025



Source: announcements from companies, Yangtze Securities Research Institute

3. Analysis of the lithium battery market

According to the statistics of the China Automotive Power Battery Industry Innovation Alliance (中國汽車動力電池產業創新聯盟), the cumulative output of motive power batteries and other batteries in China from January to June 2025 amounted to 697.3GWh, representing a cumulative year-on-year increase of 60.4%; in terms of sales, the cumulative sales of motive power batteries and other batteries in China from January to June 2025 amounted to 659.0GWh, representing a cumulative year-on-year growth of 63.3%; of which the cumulative sales of motive power batteries were 485.5GWh, accounting for 73.7% of the total sales, representing a cumulative year-on-year growth of 51.6%; the cumulative sales of other batteries were 173.5GWh, accounting for 26.3% of the total sales, representing a cumulative year-on-year growth of 108.5% year on year. From January to June 2025, the cumulative installed capacity of motive power batteries in China was 299.6GWh, representing a cumulative year-on-year growth of 47.3%; of which the cumulative installed capacity of ternary batteries was 55.5GWh, accounting for 18.5% of the total installed capacity, representing a cumulative year-on-year decline of 10.8%; the cumulative installed capacity of lithium iron phosphate batteries was 244.0GWh, accounting for 81.4% of the total installed capacity, representing a cumulative year-on-year growth of 73.0%. According to the data from Gaogong Industry Research Institute (GGII), from January to June 2025, the global installed capacity of motive power batteries was approximately 465.9GWh, representing a year-on-year increase of 35%.

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 from January to June 2025 were approximately 8.776 million units, representing a year-on-year growth of 29%. In 2025, the global new energy vehicle industry will continue to expand strongly despite a rational slowdown in growth compared to the peak period of 2023–2024, building on the rapid growth achieved in the early stages. Faced with an increasingly fragmented regional market landscape, leading automobile manufacturers are deepening their localization strategies and intensively launching new energy vehicle models tailored to regional consumer preferences. Meanwhile, the accelerated rollout of charging infrastructure and the development of deeply integrated smart cockpits and advanced autonomous driving ecosystems have become the core drivers of market growth. However, the new energy vehicle industry still faces numerous challenges: the comprehensive cost-effectiveness advantage of new energy vehicle models in some markets remains to be consolidated, and supply chain cost volatility risks persist. Looking ahead, under the combined influence of continuously optimized industrial policies, ongoing advancements in battery and intelligent technologies, significant improvements in the coverage and convenience of global charging networks, and the widespread increase in consumer acceptance of electrification and intelligence, global sales of new energy vehicles are expected to continue on a steady and high-quality growth trajectory.

According to the statistical analysis of the China Association of Automobile Manufacturers, driven by both policies and market factors, China's new energy vehicles continued to experience rapid growth from January to June 2025. The production and sales volume of new energy vehicles were 6.968 million and 6.937 million units, respectively, with year-on-year growth rates exceeding 40% for both. The share of new energy vehicles sales in total new vehicle sales surpassed 44% for the first time, marking a new phase in China's automotive market transition toward electrification. The export market performed particularly strongly, with new energy vehicles exports reaching 1.06 million units, representing a year-on-year surge of 75.2%, becoming a new flagship for "Made in China" going global. Looking ahead to the second half of the year, the "Two New" policies (new energy and trade-in) will continue to be implemented in an orderly manner, coupled with the continuous introduction of new models by major automakers, which is expected to further stimulate automotive consumption potential and ensure the healthy and stable operation of China's automotive industry. China's automotive market will continue to play a pivotal role in the transformation of global automotive industry with its vibrant vitality and innovative capabilities.

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

Issuing authority	**Industrial policy**	**Descriptions**
The Ministry of Finance and other ministries	Announcement on the Continuation and Optimization of Tax Reduction and Exemption Policies for Purchase of New Energy Vehicles (《關於延續和優化新能源汽車車輛購置税減免政策的公告》)	The announcement stipulates that new energy vehicles purchased between 1 January 2024 and 31 December 2025 are exempt from vehicle purchase tax, with a maximum exemption of RMB30,000 per new energy passenger vehicle. When selling new energy vehicles with "battery swapping model", if the sales of new energy vehicles without power batteries and power batteries are separately accounted and invoiced, the tax-exclusive price stated on the unified invoice for motor vehicle sales obtained by the buyer for the purchase of new energy vehicles without power batteries shall be used as the taxable price for vehicle purchase tax.

Issuing authority	Industrial policy	Descriptions
The State Council	Action Plan for Improving the Recycling System of Power Batteries for New Energy Vehicles (《健全新能源汽車動力電池回收利用體系行動方案》)	On 21 February 2025, the action plan was considered and approved by the State Council's Standing Committee. The plan proposes to strengthen full-chain management, focus on removing bottlenecks and obstacles, establish a standardized, safe and efficient recycling system, and enhance monitoring of the entire life cycle of power batteries through digital technology, enabling traceability throughout the entire process of production, sales, dismantling and utilization. Legal means shall be utilized to regulate recycling, and relevant administrative regulations shall be formulated and improved to boost supervision and management.
The Ministry of Industry and the Information Technology	Safety Requirements for Power Batteries Used in Electric Vehicles (《電動汽車用動力蓄電池安全要求》)	The new regulations upgrade the "no fire and no explosion" of power batteries from technical suggestions to mandatory requirements, and add a large number of test items such as bottom impact test and safety test after fast charging cycle. The standard will take effect on 1 July 2026.

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

Issuing authority	Industrial policy	Descriptions
European Commission	Carbon Emissions Assessment System Amendment	In April 2025, the European Commission proposed amendments to the carbon emissions assessment system. The new regulations will change the annual carbon emissions assessment for automakers to an average assessment of carbon emissions over a three-year assessment period (2025–2027), and will resume annual carbon emissions assessments after 2027. On 8 May 2025, the European Parliament and member negotiated and reached an agreement on the proposed changes. The amendments officially took effect by the end of 2025. The carbon emissions legislation imposes significant compliance pressures on the supply side in the long term.

Issuing authority	Industrial policy	Descriptions
	Postponement of due diligence obligations for economic operators in the battery supply chain under the EU Batteries and Waste Batteries Regulation	In May 2025, the European Commission formally submitted a proposal to postpone the implementation of the due diligence obligations for economic operators in the battery supply chain under the EU Batteries and Waste Batteries Regulation (Regulation (EU) 2023/1542) by two years, with the new effective date set for 18 August 2027. The due diligence requirements for the battery supply chain in the EU's battery legislation, which were originally scheduled to take effect in August, have been postponed by two years. The deadline for companies to submit carbon footprint reports has also been extended, which means that Chinese lithium battery companies will continue to have unimpeded access to the European market for at least the next two years.
German Government	Electric Company Vehicle Tax Reform	In April 2025, Germany's new government will implement tax reforms to expand the tax advantages of electric company vehicles, including (1) increasing tax preference for company vehicles, raising the upper limit of vehicle prices from €70,000 to €100,000; (2) establishing a special depreciation policy for electric vehicles to provide additional tax preference for purchasers; and (3) extending the tax exemption for electric vehicles to 2035.

Issuing authority	Industrial policy	Descriptions
Italian Government	New policy for electric vehicle "trade-ins"	In June 2025, the Italian government announced the launch of a new green incentive program to encourage the replacement of gasoline-powered vehicles with electric vehicles. The program has been approved by the European Union and included in the fifth revision of the National Recovery and Resilience Plan (PNRR). The goal of this new policy is to replace approximately 39,000 gasoline-powered vehicles with electric vehicles. The government has allocated a budget of €600 million originally intended for the installation of charging stations. The funds must be fully utilized by 30 June 2026. Subsidy criteria: ISEE (annual household income) Subsidy amount: Taxpayers with an ISEE of €30,000 or less are eligible for a subsidy of €11,000 for an electric vehicle; taxpayers with an ISEE between €30,000 and €40,000 receive a subsidy of €9,000.

During the Reporting Period, the existing policies relating to new energy vehicles in Southeast Asia are as follows:

Country	New energy policy	New energy vehicle policy	Two-wheeled vehicle policy
Indonesia	Renewable energy will account for 44% of total energy consumption by 2030, with a planned investment of USD20 billion to drive the transition, focusing on the development of photovoltaic and hydropower.	Goals: At least 2.2 million electric vehicles by 2030 Only electric vehicles sold by 2050	The goal is to have more than 80% of the components needed to manufacture electric motorcycles produced domestically in Indonesia by 2026. The goal is to produce 400,000 electric vehicles and 1.76 million electric motorcycles by 2025. By 2050, the sale of gasoline-powered vehicles will be completely phased out, and only electric vehicles and electric motorcycles will be allowed to be registered and driven on the roads.

Country	New energy policy	New energy vehicle policy	Two-wheeled vehicle policy
			In 2023, subsidies of IDR7 million (approximately RMB3,200) per vehicle will be distributed to purchasers of 250,000 electric motorcycles. Of these, 200,000 will be newly purchased electric motorcycles, and 50,000 will be traditional fuel-powered motorcycles converted to electric motorcycles. Electric motorcycles eligible for government subsidies must be produced in Indonesia, with a domestic parts content of over 40%. Qualified electric motorcycle manufacturers must not increase sales prices due to government subsidies.

Country	New energy policy	New energy vehicle policy	Two-wheeled vehicle policy
Thailand	The share of renewable energy will increase to 51% by 2037, corresponding to 20% in 2023. Zero tariffs will be imposed on imported photovoltaic modules, and a tax reduction plan for households will be introduced.	By 2030, 30% of vehicles produced will be zero-emission vehicles; Sales tax will be reduced from 8% to 2%, and Complete Build-Up (CBU) will be eligible for a 40% tariff reduction. This policy will be phased out by 2026; The EV3.5 plan will be implemented from 2024 to 2027. Electric vehicles priced below THB2 million with a battery capacity of 50 kilowatt-hours or more will receive a subsidy of THB50,000 to THB100,000 per vehicle. Electric vehicles with a battery capacity below 50 kilowatt-hours will receive a subsidy of 20,000 to 50,000 Thai baht per vehicle.	From 2022 to 2025, a subsidy of THB18,000 (approximately RMB3,800) will be provided for electric motorcycles with a retail price of no more than THB150,000.

Country	New energy policy	New energy vehicle policy	Two-wheeled vehicle policy
Malaysia	Provide a cash subsidy of up to RM4,000 for households installing solar photovoltaic panels Remove capacity restrictions on rooftop solar panels	The goal is to increase the share of electric vehicle sales to 15% by 2030, 38% by 2040, and 80% by 2050, while achieving a 90% local electric vehicle manufacturing rate.	Individuals with an annual income of RM120,000 or less are eligible for a government subsidy of RM2,400 (approximately RMB4,000) when purchasing an electric motorcycle.
Singapore	By 2025, solar power capacity will increase by 4 times, reaching at least 2GW peak by 2030, enough to power more than 350,000 households for a year.	Phase out internal combustion engine vehicles and ensure that all newly registered vehicles are clean energy models by 2030. Increase the number of charging stations and raise the original target of 28,000 charging stations to 60,000 by 2030 at the latest.	/

During the Reporting Period, the existing policies relating to new energy vehicles in Latin America are as follows:

Country	Policy	Descriptions
Brazil	Normative Resolution No. 1000/2021	Three exemptions are provided for grid connection reviews of distributed power generation: 1) fast-track mechanism: small-scale photovoltaic systems that generate and consume their own electricity, with an installed capacity of ≤7.5 kW, may apply to use the fast-track procedure; 2) grid zero project exemption: micro-generation and small-scale distributed power generation that does not inject electricity into the power distribution grid (grid zero) are exempt from grid connection reviews; 3) micro-distributed power generation systems that meet free standards may be exempted from grid connection review if their power generation capacity matches the electricity consumption of the user unit during power generation.
	Law No. 14300	1) New and existing micro and small-scale photovoltaic systems will gradually introduce grid fees starting in 2023. This will be achieved by increasing the proportion of additional costs such as asset depreciation and maintenance costs, thereby phasing out photovoltaic subsidies. The proportion will increase by 15% annually starting in 2023, until it is fully applicable by 2029. 2) Photovoltaic projects below 5MW will enjoy net measurement mechanisms until 2045.
	Accelerated Growth Program	USD12.5 billion will be used to fund new renewable energy projects, including 196 solar power plants. Individual users can sell surplus electricity to the national grid.
	2050 National Energy Plan	The necessity of vigorously developing renewable energy sources such as wind power, solar power, hydropower, and biomass energy, and increasing the proportion of renewable energy in the energy structure by 2050.

Country	Policy	Descriptions
	Import of new energy vehicles	Partial tariff exemptions, with full exemptions in 2024 and plans to restore 35% tariffs in 2027.
Chile	Supreme Decree No. 70	Energy storage systems and hybrid power plants equipped with energy storage systems are now eligible for capacity compensation mechanisms, with storage capacities of ≥5 hours recognized at 100%.
	Energy Transition Act	Energy storage projects will be compensated based on their capacity to provide power. If the storage duration is 5 hours or more, the full capacity of the energy storage system can be fed into the grid. Energy storage devices will be permitted to charge from the grid. The new round of energy tenders will provide additional nighttime feed-in incentives for energy storage systems with a duration of 4 hours or more. Independent energy storage systems can directly generate revenue in Chile's national electricity market without relying on renewable energy systems.
	Large-scale Energy Storage System Procurement and Investment Act	The large-scale energy storage system, scheduled to be put into production in 2026, will have a total investment of USD2 billion, which will be used to construct and install advanced energy storage facilities to better integrate renewable energy sources such as wind and solar power. Tax preference and other economic incentives will be provided to companies participating in the construction and operation of the energy storage system.

Country	Policy	Descriptions
	Act No. 21505	Higher renewable energy targets have been set, with renewable energy generation expected to account for 70% of total power generation by 2030. Tax preference and other economic incentives are being offered for renewable energy projects to encourage more investment.
Argentina	Act No. 27191	Propose that by 2025, 20% of total energy consumption will be replaced by new energy sources.
	Executive Order No. 331/17	Introduce tariff exemptions for imported electric and hybrid vehicles, and promise zero tariffs and other preferential policies for electric vehicles produced locally or using domestic parts. Within the next six months, 50,000 electric and hybrid vehicles will enter the Argentine market tariff-free.

Country	Policy	Descriptions
Mexico	Green Bonds of the Green Finance Advisory Committee	Financial support in the form of credit or financing specifically for existing or newly established "green projects." Green projects include, but are not limited to, projects that can generate quantifiable and specific environmental benefits, such as: Renewable energy (including production, transmission, equipment, instruments, and devices, etc.); energy efficiency (including energy-efficient buildings, smart grids, smart appliances, etc.); clean transportation (including electric and hybrid public transportation, clean vehicles, and other infrastructure).

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 challenging. According to the forecast of International Energy Agency (IEA), the global sales volume of new energy vehicles is expected to exceed 20 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, the global shipment of energy storage batteries in 2025 was approximately 421GWh, representing a year-on-year increase of 39%; China's shipment of energy storage batteries was approximately 158GWh, representing a year-on-year increase of 5%.

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

Since 2024, the low-altitude economy has been included in the government work report for two consecutive years. As a strategic emerging industry, the low-altitude economy is now facing unprecedented development opportunities. Leveraging low-altitude airspace resources, the low-altitude economy, which encompasses diverse application scenarios such as manned flight, logistics delivery, and urban management, rapidly emerging with the support of core technologies like aviation technology and intelligent air traffic management. The low-altitude economy is injecting new momentum into regional economic growth and bringing more possibilities to people's lives. 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 the forecast of the CAAC, the market size of China's low-altitude economy is expected to reach RMB1.5 trillion by 2025 and RMB3.5 trillion by 2035, highlighting the immense development potential.

In the first half of 2025, the development of the low-altitude economy in foreign markets is also progressing rapidly. The US FAA implemented new regulations allowing eVTOLs to conduct commercial passenger transport under IFR, while New York and other cities accelerated the construction of vertical takeoff and landing airports. Boeing acquired Zipline to integrate its logistics network. In Europe, the EASA released U-Space 3.0 to unify regulatory standards across multiple countries, while the European Investment Bank supported the development of an airport network with hydrogen fueling capabilities. In Latin America, Brazil advanced pilot programs for agricultural drones, and Chile developed a navigation system for medical delivery drones. In the Middle East, Dubai and the United Arab Emirates actively developed vertical takeoff and landing airports, with companies like Archer Aviation establishing a presence. Meanwhile, breakthroughs in core technologies such as batteries and air traffic control are driving the low-altitude economy toward a new phase.

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.

BUSINESS REVIEW

During the Reporting Period, the Group achieved an operating revenue of RMB8,257,668 thousand, representing a decrease of 13.3% as compared with the corresponding period last year; and the loss attributable to the owners of the parent company of RMB536,213 thousand, representing a decrease of 29.4% as compared with the corresponding period last year. As at the end of the Reporting Period, the total assets and net assets of the Group amounted to RMB107,589,680 thousand and RMB44,594,910 thousand, respectively, representing an increase of 6.7% and a decrease of 6.3%, respectively, as compared with the end of last year.

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 that the Company has built so far are as follows:

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, butyl lithium	2014
Ningdu Ganfeng	Ningdu, Jiangxi	Lithium carbonate	2018
Xinyu Ganfeng Lithium	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	2025
Qinghai Ganfeng	Haixi Prefecture, Qinghai	Lithium metal	Trial production

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, Ganfeng New Lithium	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	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. During the Reporting Period, in the first half of the year, Sichuan Ganfeng completed the commissioning of its 50,000 tons per annum of lithium salt project, with production capacity gradually being released. Meanwhile, Qinghai Ganfeng's Phase I 1,000 tons per annum lithium metal project is in the trial production phase, with the production line being progressively optimized to achieve optimal operating conditions. This project plans to apply for safety certification in September this year and expects to achieve full production by year-end. The Company's battery-grade lithium sulfide production line is gradually releasing capacity. Ganfeng's lithium sulfide product boasts a main content ≥99.9% and D50 ≤5 μm. With high purity, low impurity content, and excellent consistency, it meets the technical requirements for

high-conductivity solid-state electrolyte materials. It has passed customer quality certification and is already supplying several downstream customers. Moving forward, the Company will further enhance lean production and energy efficiency, proactively reduce costs through detailed measures, upgrade digitalization and smart manufacturing capabilities, and accelerate the development of new quality productive forces.

As of the date of this announcement, the production capacity of the Group'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 Lithium	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	Yichun Ganfeng	Yichun, Jiangxi	Lithium metal	1,500 tons/year
5	Fengxin Ganfeng	Fengxin, Jiangxi	Lithium metal	650 tons/year
6	Qinghai Ganfeng (Phase I)	Haixi Prefecture, Qinghai	Lithium metal	1,000 tons/year
7	Fengcheng Ganfeng (Phase I)	Fengcheng, Jiangxi	Lithium hydroxide	25,000 tons/year
8	Argentina Cauchari-Olaroz	Jujuy, Argentina	Lithium carbonate	40,000 tons/year
9	Argentina Mariana	Salta, Argentina	Lithium fluoride	20,000 tons/year
10	Sichuan Ganfeng	Dazhou, Sichuan	Lithium carbonate	25,000 tons/year
			Lithium hydroxide	25,000 tons/year
11	Ganfeng Circular (Phase I)	Xinyu, Jiangxi	Battery-grade lithium carbonate	20,000 tons/year
			Battery-grade lithium iron phosphate	40,000 tons/year

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

3. Lithium resources

As of the date of this announcement, 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	5.37%	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	100%	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	14.89%	6,580,000 tons of LCE
10		Yiliping salt-lake project in Qinghai	49%	1,650,000 tons of LCE
11		Dezongmahai lake project	100%	under exploration

No.	Resource type	Project name	Ownership interest	Resources
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
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

Note: 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 are the sum of proved resource and controlled resource, and the LCE data for the salt-lake projects 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 shareholding in Australia's Pilbara Minerals includes the shares pledged under the collar option transactions.

4. Lithium battery business

Based on the advantages in upstream lithium resources supply and full industrial chain of the Group, the Group's lithium battery business has 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 Group's lithium battery business has set up production bases in Dongguan, Ningbo, Suzhou, Xinyu, Huizhou and Chongqing.

1) Power lithium batteries: Ganfeng LiEnergy has achieved mass production of both pouch-cell and prismatic-cell platform architectures with energy capacities ranging from 10 to 130 kWh, suitable for commercial applications including heavy-duty mining trucks, light-duty logistics vehicles, buses and sanitation vehicles, featuring advantages such as low cost, high power, high integration and platform versatility. The batteries support ultra-fast charging with power up to 1,000 kW (enabling 100 kWh charge in 6 minutes) and battery swap compatibility (both fixed and mobile stations) with swap time under 5 minutes, delivering flexible fast charging and battery swap solutions for commercial vehicle scenarios.

2) Consumer batteries and lithium polymer batteries: Ganfeng LiEnergy has established lithium polymer batteries production lines in Xinyu, Jiangxi and Huizhou, Guangdong, with current production capacity reaching 130W units per day, mainly supplying TWS earphones, smartphones, power banks, laptops and tablets. Ganfeng LiEnergy's lithium polymer batteries have gained recognition from leading global brands in mobile phones, earphones and computers due to their secure tab welding technology, extended battery life, advanced electromagnetic shielding technology and innovative curved patch technology. Currently, Ganfeng LiEnergy ranks among the top 4 in China for smartphone battery shipments, holds the No.2 position for earphone batteries, stands at No.5 in China's small lithium polymer battery industry, and occupies the No.3 position in China's polymer cylindrical battery industry.

3) Energy storage: Ganfeng LiEnergy recently launched its 6.25MWh energy storage system, which achieves triple breakthroughs in efficiency, longevity and safety and reconstructs energy storage standards with leading industry technology. The highly efficient thermal management system adjusts the temperature difference accurately through intelligent temperature control algorithms, completely extending the battery's lifespan. C5-grade corrosion protection design ensures a minimum of 15,000 ultra-long cycle life cycles, with system lifespan exceeding 20 years. The all-time-domain equalization technology will increase the duration of balance by five times and reduce the system's pressure difference by 26.7%, thereby ensuring stable and safe operation throughout the entire life cycle. Benefiting from its prominent strengths such as long cycle life, ultimate safety performance and ultra-high energy density of over 440Wh/L, Ganfeng LiEnergy 587Ah high-capacity energy storage battery cell becomes a benchmark product in the large-scale energy storage field. Such battery cell passed authoritative certifications such as GB/T36276, was currently put into mass production and the long-term stable supply partnerships with several leading companies in the industry was established.

4) Robotics power: The 324Wh battery pack developed and produced by Xinyu Ganfeng Electronics has a nominal voltage of 72V, a maximum discharge rate of 7C, supports 1C fast charging, reaches IP67 waterproof rating, and has a temperature collection function to ensure the normal use of terminal devices in various scenarios. At full production capacity, 600 sets of robot battery packs can be produced per day. The system is equipped with Ganfeng's self-developed BMS solution, with SOC accuracy of approximately 3% to 5%. Data collection is carried out every 200 milliseconds to achieve automatic calibration during the charging and discharging process. At present, this series of batteries has been used in products in fields such as quadruped robots and humanoid robots.

As of the date of this announcement, the Group's existing lithium battery production bases for consumer lithium batteries, motive power batteries, energy storage batteries, and PACK systems are as follows:

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 Electronics, Ganfeng New Lithium	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
3	Ganfeng LiEnergy	Xinyu, Jiangxi	Lithium motive power battery, energy storage battery, battery module and PACK system	Power, energy storage, and semi-solid battery cells of 30 GWh per year; energy storage PACK systems of 25 GWh/year
4	Jiangsu Ganfeng	Suzhou, Jiangsu	Power, PACK system	3.3GWh per year
5	Huichuang New Energy	Dongguan, Guangdong	PACK system for two-wheeled vehicles, outdoor and household energy storage	2GWh per year battery PACK system
6	Chongqing Ganfeng Power	Chongqing	Power battery PACK system	Power battery system with an annual output of 4.5GWh

5. Integrated solid-state battery supply chain

The Company has a complete integrated layout of the upstream and downstream of solid-state batteries and possesses commercialization capabilities, having established R&D and production capacities in all critical technological segments including sulfide electrolytes and raw materials, oxide electrolytes, lithium metal cathode, battery cells, and battery systems.

(1) Sulfide solid electrolytes: The Company produced ultra-fine powders of sulfide electrolytes with high ionic conductivity, including micron (D50≈3 μm) and submicron (D50<1 μm) sizes. Their ionic conductivity at room temperature can reach >8 mS/cm and >6 mS/cm, respectively.

(2) Oxide solid electrolyte: A breakthrough was achieved in the ultra-thin preparation technology of LATP solid electrolyte ceramic membranes, enabling the production of ceramic membranes with dimensions of 6 cm × 6 cm, a thickness controlled below 25 μm as well as rollable properties, with room-temperature ionic conductivity of such membranes surpassing 0.6 mS/cm.

(3) Standard formulation: The Company led the drafting of the National Standard for the Non-Ferrous Metal Industry of the People's Republic of China: Lithium Sulfide for Battery Grade, which was currently in the approval stage. Additionally, three other standards of the National Standards for the Electronic Industry of the People's Republic of China, namely Inorganic Oxide Solid Electrolyte for Solid-State Lithium Batteries: Lithium Lanthanum Zirconium Oxide, Inorganic Oxide Solid Electrolyte Lithium Aluminum Titanium Phosphate for Solid-State Lithium Batteries and Test Method for Ion Conductivity of Sulfide Solid Electrolytes for Solid Lithium Batteries: AC Impedance Method, were prepared to conduct multiple rounds of expert discussions, laying a solid foundation for the standardization of solid-state electrolyte products in the future.

(4) Cell development: The Company's solid-state battery portfolio spans cylindrical, pouch, and prismatic formats.

Among these, pouch-type solid-state batteries are suitable for applications such as passenger vehicles and low-altitude aircraft. Their high-specific-energy variants offer energy densities ranging from 320 Wh/kg to 550 Wh/kg, support up to 1,000 cycles, and comply with the automotive standard GB38031–2020. The Company has also established partnerships with leading drone and eVTOL manufacturers.

Cylindrical solid-state batteries show strong application potential in robotics and high-speed aerial vehicles. The 21700 cylindrical cell delivers capacities between 6 Ah and 7.5 Ah, with energy densities reaching 330 -420 Wh/kg and maximum discharge rates of up to 25C, positioning it at the industry forefront. A dedicated production line for these cells is under development, with an output of 50,000 21700 cells per day expected to reach mass production by early 2026.

The Company has completed the development of a solid-state 304 Ah prismatic energy storage battery during the Reporting Period. It demonstrates significant advantages over traditional liquid batteries in key metrics such as safety, low-temperature performance, and storage performance. Additionally, solid-state 314 Ah and 392 Ah batteries are scheduled for launch by the end of this year, featuring exceptional capabilities including no combustion at 180° C and a 95% capacity retention rate at -20° C.

The Company is dedicated to establishing a leading position in the low-altitude economic battery sector and has reached cooperation partnerships with well-known drone and eVTOL companies in the high-energy-density battery sector. The related battery cell products passed the manufacturing conformity review of Civil Aviation Administration of China and completed numerous deliveries in batches.

6. Energy storage business

The Company actively responds to China's new energy development strategy and seizes opportunities in the emerging energy storage sector. With a dual-drive approach focusing on "user-side distributed energy storage + grid-side centralized energy storage" at its core, the Company is developing storage business and building an ecosystem that covers the entire industry chain.

Shenzhen Yichu Energy Technology Co., Ltd. is dedicated to evolving into an integrated innovative technology enterprise encompassing virtual power plants, a full-lifecycle intelligent operation and management platform for new energy power, smart energy EMS technology R&D, and a digital intelligent operation platform for new energy power systems. Shenzhen Yichu has assembled a highly qualified professional R&D team and is consistently increasing investments in energy storage technology development and project implementation. Utilizing high-safety, long-cycle-life, large-capacity energy storage battery cells, the Company enhances intrinsic battery safety while prioritizing research and innovation in energy storage system integration technologies to continually improve system energy density and reduce total lifecycle costs for energy storage projects. The energy storage battery system, in combination with an efficient energy management system and an intelligent monitoring and operation and maintenance platform, ensures the efficient operation and long-term stable operation of the energy storage power station.

Ganfeng LiEnergy's home energy storage products feature high safety lithium iron phosphate batteries as the core while considering affordability, compatibility and long-term reliability, which precisely matches the comprehensive needs of households for "safety + environmental protection + high cost performance".

In the future, the Company will rely on the dual drive of technological research and development and large-scale layout to continuously promote the transformation and upgrading of the energy storage structure, actively expand the investment and operation business of energy storage power stations at home and abroad, constantly expand the business territory, make positive contributions to promoting global energy transformation and sustainable development, and become a leading enterprise in the energy storage field.

7. Battery recycling business

The Company further enhanced its 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 adopts an internationally leading process for the recycling and treatment of used batteries, achieving harmless treatment of exhaust gas and zero discharge of wastewater. The leading lithium extraction process extracts valuable metals and lithium compounds from recycled waste materials, forming a sustainable development closed loop for batteries and achieving resource recycling. At present, the Company has developed a comprehensive recycling and processing capacity of 200,000 tons of retired lithium-ion batteries and metal waste. Among them, the comprehensive recovery rate of lithium is over 90%, and the recovery rate of nickel and cobalt metals is over 95%. It has become one of the leading enterprises in the battery recycling industry in China, with the largest recycling capacity of lithium iron phosphate batteries and waste and ranking among the top three in the industry in terms of comprehensive processing capacity. During the Reporting Period, Ganfeng Circular (Phase I project) was completed with its production capacity gradually being released. Among them, the battery-grade lithium carbonate production line has reached its designed capacity, while the battery-grade lithium iron phosphate production line is in the ramp-up phase, with stable product quality and positive customer feedback. The Company participated in the working symposium for the establishment of the National Standardization Committee for the Recycling and Utilization of Power Batteries organized by the Department of Energy Conservation and Comprehensive Utilization of the Ministry of Industry and Information Technology and took part in the discussion of relevant standards.

8. Ganfeng technology strategy

The Company adheres to the "technology and innovation driven" high-quality development. With a highly skilled R&D team and a well-established industry-academia-research collaboration mechanism, it leverages technological innovation as a strategic engine to build a full-chain, high-quality development model encompassing "R&D leadership – commercialization of achievements – industrial upgrading." During the Reporting Period, the Company undertook two provincial-level major S&T projects and participated in one national key R&D initiative. The Company has led/participated in the formulation of six national standards for lithium salt products, including "Lithium-rich Lithium Ferrite", "High-Purity Lithium Borate", and "Recycled Black Mass for Lithium-ion Batteries". Additionally, it has presided over/contributed to the development of 5 national standards, 11 industry standards, 7 group standards, and 1 local standard related to lithium batteries. Among these, 2 national standards and 6 industry standards specifically pertain to solid-state lithium batteries.

As of 30 June 2025, the Company cumulatively obtained 1,204 authorized national patents, including 222 Chinese national invention patents, 910 utility model patents, 54 appearance design patents and 18 international patents; and 17 software copyrights,.

FUTURE DEVELOPMENT STRATEGY OF THE COMPANY

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

Securing high-quality and stable lithium resources is fundamental to the long-term sustainable growth of our business. The Company adheres to the aim of globalizing the layout of its resources, and will continuously expand its current lithium resources portfolio through further exploration, and actively improve the self-sufficiency rate of resources of the Company. In terms of brine, the Company will proactively advance the development and construction of the Mariana lithium salt-lake project and plan to integrate Lithium Argentina AG into a joint venture, injecting three lithium salt lake assets–the PPG salt lake, PG salt lake and Puna salt lake in Argentina into the joint venture to jointly develop the PPGS salt lake project, which is expected to become one of the largest salt-lake lithium extraction projects in the world. In terms of spodumene resources, the Company will continue to focus on quality spodumene projects around the world, work actively with its partners, ensure stable supply from Mt Marion in Australia and Pilgangoora in Australia, and accelerate the capacity ramp-up progress of spodumene projects such as Goulamina in Mali, Africa, to increase the Company's self-sufficiency ratio 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 leverage its experience in the industrial value chain and its insight into market trends to continue exploring the possibility of further obtaining lithium resources, enrich the core portfolio of high-quality lithium resources, and provide reliable and high-quality lithium resource guarantees for the further improvement of midstream and downstream businesses.

2. Expand the production capacity of treatment and processing facilities

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

Project	Location	Capacity planning
Lithium metal and lithium materials project with an annual capacity of 7,000 tons	Yichun, Jiangxi, PRC; Qinghai Province, PRC	Investment in the construction of lithium metal and lithium materials project with an 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 diphosphate project	Xinyu, Jiangxi, PRC	Investment in the construction of 50,000 tons per annum of lithium diphosphate project

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

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

3. Develop lithium battery business

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

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, and enables us to further enrich our lithium raw material sources. Furthermore, the Company's ability to recycle lithium batteries offers a sustainable value-added solution to battery manufacturers and electric vehicle manufacturers, which helps 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 R&D, the Company will capitalize on the advantages of professional and highly skilled scientific and technological innovation team and mature industry-academia-research cooperation 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 processes and the cooperation with research institutions to further improve its innovation capability. The Company will further improve its lithium extraction methods and high purity lithium processing techniques, so as to maintain its technological edge in the global lithium industry. Including:

- Development and production of solid electrolytes and cathode for solid-state lithium batteries, and R&D on solid-state lithium batteries;
- Secondary utilization and recycling of lithium batteries;
- Improvement of production techniques and levelling up automation for existing products;
- Formulation of process and extraction methods for lithium raw materials from different types of salt-lake brines and lithium clay;
- 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 integrated solutions provider to accentuate its role in the development and production process, and deepen its cooperative relationships with customers by forming strategic alliances with its customers, facilitating more frequent communications and providing more comprehensive services. As a vertically integrated supplier, the Company aims to leverage the synergies among different business segments and to provide customers with overall solutions through the industry value chain, including securing stable supply of lithium raw materials, providing high-quality lithium compounds, supplying advanced lithium batteries, and offering lithium battery recycling service, which help customers to optimize production costs, shorten production cycle, speed up the 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 emissions so as to achieve sustainable growth.

FINANCIAL REVIEW

1. Overview

During the Reporting Period, the Group's revenue amounted to RMB8,257,668 thousand, representing a decrease of RMB1,267,154 thousand as compared to RMB9,524,822 thousand for the six months ended 30 June 2024. The Group's gross profit amounted to RMB890,274 thousand, representing a decrease of RMB172,411 thousand as compared to RMB1,062,685 thousand for the six months ended 30 June 2024. During the Reporting Period, the Group's basic loss per share were RMB0.27 (for the six months ended 30 June 2024: basic loss per share of RMB0.38).

The loss attributable to the owners of the parent company for the Reporting Period amounted to RMB536,213 thousand, representing a decrease of RMB222,922 thousand, or 29.4%, as compared to a loss attributable to the owner of the parent company of RMB759,135 thousand for the six months ended 30 June 2024, primarily due to the decrease in fair value losses on financial assets at fair value through profit or loss and derivative financial instruments, and the increase in gain on partial disposal of equity of associates during the Reporting Period as compared to the same period last year.

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 batteries and other products. Total revenue decreased by RMB1,267,154 thousand from RMB9,524,822 thousand for the six months ended 30 June 2024 to RMB8,257,668 thousand for the six months ended 30 June 2025, which was mainly due to the cyclical impact of the lithium industry, resulting in the decrease of price of lithium salt and lithium battery products during the Reporting Period.

1) Analysis of revenue by products and regions

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

By products:

	For the six months ended 30 June 2025		For the six months ended 30 June 2024	
	RMB'000	*%*	*RMB'000*	*%*
Lithium metal and lithium compound	**4,726,322**	**57.2**	6,519,872	68.5
Lithium battery	**2,939,751**	**35.6**	2,704,939	28.4
Others *(Note)*	**591,595**	**7.2**	300,011	3.1
Total	**8,257,668**	**100.0**	9,524,822	100.0

Note: Including phosphorus and potassium segments, NMC precursors, and other products.

By sales regions:

	For the six months ended 30 June 2025		For the six months ended 30 June 2024	
	RMB'000	*%*	*RMB'000*	*%*
China	**7,545,856**	**91.4**	6,879,536	72.2
Overseas	**711,812**	**8.6**	2,645,286	27.8
Total	**8,257,668**	**100.0**	9,524,822	100.0

Note: Including phosphorus and potassium segments, NMC precursors, and other products.

2) Analysis of operating cost by products

By products:

	For the six months ended 30 June 2025		For the six months ended 30 June 2024	
	RMB'000	***%***	*RMB'000*	*%*
Lithium metal and lithium compound	**4,331,508**	**58.8**	5,760,827	68.1
Lithium battery	**2,531,069**	**34.4**	2,439,878	28.8
Others *(Note)*	**504,817**	**6.8**	261,432	3.1
Total	**7,367,394**	**100.00**	8,462,137	100.0

Note: Including phosphorus and potassium segments, NMC precursors, and other products.

3. Gross profit and gross profit margin

The gross profit margin of the Group for the Reporting Period was 10.8%, representing a decrease of 0.4 percentage points as compared with 11.2% for the six months ended 30 June 2024. There was no significant change during the Reporting Period.

By products:

	For the six months ended 30 June 2025		For the six months ended 30 June 2024	
	RMB'000	***%***	*RMB'000*	*%*
Lithium metal and lithium compound	**394,814**	**8.4**	759,045	11.6
Lithium battery	**408,682**	**13.9**	265,061	9.8
Others *(Note)*	**86,778**	**14.7**	38,579	12.9
Total	**890,274**	**10.8**	1,062,685	11.2

Note: Including phosphorus and potassium segments, NMC precursors, and other products.

4. Other income and gains

The other income and gains of the Group mainly comprised gain on disposal of certain equity of associates, gain on disposal of subsidiaries, government grants, interest income from bank and other non-current assets, revenue from sales of raw materials, and gain on disposal of financial assets at fair value through profit or loss.

During the Reporting Period, other income and gains of the Group amounted to RMB983,607 thousand, representing an increase of RMB452,396 thousand as compared with RMB531,211 thousand for the six months ended 30 June 2024, which was mainly due to the increase in gain on disposal of certain equity of associates, and gain on disposal of subsidiaries.

5. Expenses

	For the six months ended 30 June 2025 ***RMB'000***	For the six months ended 30 June 2024 *RMB'000*	Change %	Reason of material change
Selling and distribution expenses	**85,441**	68,395	24.9	Selling and distribution expenses mainly included employee welfare expenses, storage and port fees, sales commissions, advertising and promotion expenses, business entertainment expenses, office and travel expenses, and other expenses. The increase during the Reporting Period was mainly due to the increase in employee welfare expenses and sales commissions.
Administrative expenses	**1,072,342**	1,079,982	(0.7)	Administrative expenses mainly included employee welfare expenses, office and travel expenses, rental expenses, consulting and intermediary fees, business entertainment expenses, research and development expenses, banking services and other expenses, as well as asset depreciation and amortization. There were no material changes during the Reporting Period.

	For the six months ended 30 June 2025 ***RMB'000***	For the six months ended 30 June 2024 *RMB'000*	Change %	Reason of material change
Other expenses	**710,750**	1,294,653	(45.1)	Other expenses primarily include fair value losses on financial assets at fair value through profit or loss and derivative financial instruments, cost of raw material sold, impairment of trade receivables, net, exploration expenses, foreign exchange differences, net, losses from write-down of inventories to net realisable value and others. The decrease during the Reporting Period was mainly due to the decrease in fair value losses on financial assets at fair value through profit or loss and derivative financial instruments and foreign exchange differences, net.
Financing costs	**703,881**	506,783	38.9	Financing costs primarily include interest expenses on bank and other borrowings, interest expenses on bonds payables, interest expenses on discounted notes, as well as interest expenses on lease liabilities and long-term payables. The increase during the Reporting Period was mainly attributable to the increase in interest expenses on long-term payables and interest expenses on other borrowings.

6. Other expenses

Other expenses of the Group for the Reporting Period amounted to RMB710,750 thousand, representing a decrease of RMB583,903 thousand as compared to RMB1,294,653 thousand for the six months ended 30 June 2024. The details are as follows:

	For the six months ended 30 June 2025 ***RMB'000***	For the six months ended 30 June 2024 *RMB'000*
Cost of raw materials sold	**49,844**	39,296
Impairment of trade receivables, net	**1,291**	5,337
Write-down of inventories to net realisable value	**194,644**	82,627
Fair value losses on financial assets at fair value through profit or loss and derivative financial instruments	**277,690**	873,886
Net loss on disposal of items of property, plant and equipment	**776**	2,000
Exploration expenditure	**30,917**	48,840
Foreign exchange differences, net	**148,640**	238,755
Others	**6,948**	3,912
Total	**710,750**	1,294,653

7. R&D expenses

During the Reporting Period, research and development expenses of the Group amounted to RMB433,663 thousand, accounting for 5.25% of the Group's revenue representing a decrease of 5.54% as compared to RMB459,115 thousand for the six months ended 30 June 2024. There was no significant change during the Reporting Period.

8. Cash flows

	For the six months ended 30 June 2025 ***RMB'000***	For the six months ended 30 June 2024 *RMB'000*	Change %	Reason of material change
Net cash flows generated from operating activities	**300,345**	3,942,499	(92.4)	Mainly due to a decrease in cash reception for good sales and service provided during the Reporting Period.
Net cash flows used in investing activities	**(2,181,045)**	(6,013,253)	(63.7)	Mainly due to a decrease in payment of investments such as construction of fixed assets during the Reporting Period.
Net cash flows generated from financing activities	**5,955,940**	1,032,463	476.9	Mainly due to the increase in cash received for borrowing in the Reporting Period.

9. Financial position

Non-current assets increased by RMB256,489 thousand from RMB78,829,421 thousand as at 31 December 2024 to RMB79,085,910 thousand as at 30 June 2025, which was mainly due to an increase in property, plant and equipment during the Reporting Period.

Current assets increased by RMB6,500,894 thousand from RMB22,002,876 thousand as at 31 December 2024 to RMB28,503,770 thousand as at 30 June 2025, which was mainly due to an increase in cash and cash equivalents and inventories during the Reporting Period.

Current liabilities increased by RMB6,353,698 thousand from RMB31,669,917 thousand as at 31 December 2024 to RMB38,023,615 thousand as at 30 June 2025, which was mainly due to an increase in the interest bearing bank and other loans, and trade payables during the Reporting Period.

Non-current liabilities increased by RMB3,396,672 thousand from RMB21,574,483 thousand as at 31 December 2024 to RMB24,971,155 thousand as at 30 June 2025, which was mainly due to an increase in interest-bearing bank and other loans, other non-current liabilities and bond payables during the Reporting Period.

As at 30 June 2025 and 31 December 2024, net current liabilities of the Group amounted to RMB9,519,845 thousand and RMB9,667,041 thousand, respectively; net assets amounted to RMB44,594,910 thousand and RMB47,587,897 thousand, respectively.

As at 30 June 2025 and 31 December 2024, cash and cash equivalents of the Group amounted to RMB9,716,932 thousand and RMB5,641,238 thousand, respectively.

10. Income tax

During the Reporting Period, income tax credit of the Group amounted to RMB157,215 thousand, while the income tax expense of the Group amounted to RMB60,515 thousand for the six months ended 30 June 2024, which was mainly due to the decrease in taxable income and the provision for deferred tax for the Reporting Period.

11. Capital expenditure

During the Reporting Period, capital expenditure of the Group was RMB4,675,438 thousand, representing a decrease of RMB7,906,010 thousand as compared to RMB12,581,448 thousand for the six months ended 30 June 2024. The Group's capital expenditure mainly consist of additions to property, plant and equipment, investment properties, prepayment of leasehold land and intangible assets. The main sources of funds for the Group's capital expenditure were bank borrowings, issuance of bonds and cash flows generated from operating activities of the Group.

12. Interest-bearing bank and other borrowings

As at 30 June 2025, bank and other borrowings of the Group amounted to RMB37,284,142 thousand (31 December 2024: RMB31,237,212 thousand).

Bank and other borrowings of the Group that would be due within one year amounted to RMB20,503,558 thousand, and due within two to five years amounted to RMB15,514,748 thousand, and more than five years amounted to RMB1,265,836 thousand, respectively. As at 30 June 2025, the Group's outstanding loans included Renminbi loans and foreign currency loans and approximately 49.22% (31 December 2024: 53.03%) of such outstanding loans were at fixed interest rates, with the remaining at floating interest rates.

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

13. Restricted assets

As at 30 June 2025, the Group had assets with a total carrying amount of RMB1,450,572 thousand (31 December 2024: RMB1,989,472 thousand) pledged as collateral for securing bank borrowings and other banking facilities. These assets included pledged cash and cash equivalents of RMB217,678 thousand (31 December 2024: RMB302,871 thousand), debt investments of RMB288,000 thousand (31 December 2024: RMB188,000 thousand), receivables financing of RMB96,506 thousand (31 December 2024: RMB112,633 thousand), non-current assets due within one year of RMB131,586 thousand (31 December 2024: RMB71,884 thousand), other non-current assets of RMB58,032 thousand (31 December 2024: RMB83,732 thousand), other non-current financial assets of RMB658,770 thousand (31 December 2024: RMB1,040,352 thousand), and other current assets of nil (31 December 2024: RMB190,000 thousand). In addition, as of 30 June 2025, construction in progress amounting to RMB359,111 thousand (31 December 2024: nil) and property, plant and equipment amounting to RMB285,562 thousand (31 December 2024: nil) were pledged for finance lease arrangements, ownership of intangible assets amounting to RMB1,370,258 thousand (31 December 2024: RMB1,375,793 thousand) was subject to restrictions.

14. Gearing ratio

As at 30 June 2025, the Group's gearing ratio, defined as net debt divided by sum of capital and net debt, was 59%, which increased by 6% from 31 December 2024.

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

The Group business is located in Mainland China and all transactions are denominated in RMB. 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 operation 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.

16. Contingent liabilities

As of 30 June 2025, 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.

17. Employees and remuneration system

As of 30 June 2025, the Group had a total of 16,344 employees. The remuneration package of the Group's employees includes salaries, allowances, benefit in kind and performance related bonuses.

18. Capital commitments

The Group had the following capital commitments as at 30 June 2025:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
Contracted, but not provided for Land and buildings	**2,811,828**	4,257,719
Contracted, but not provided for Plant and machinery	**3,441,209**	2,579,189
Total	**6,253,037**	6,836,908

19. Share capital

As of 30 June 2025, 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	100.0%

20. Trade and bills receivables

Trade and bills receivables decreased by RMB97,744 thousand from RMB3,866,380 thousand as at 31 December 2024 to RMB3,768,636 thousand as at 30 June 2025. There was no significant change during the Reporting Period.

21. Significant Investments

As at 30 June 2025, the Group did not have any significant investment which exceeded 5% of the Group's total assets as at 30 June 2025.

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

During the Reporting Period, the Group did not have any significant equity acquisitions.

CONNECTED TRANSACTIONS

During the Reporting Period, the Group did not have any connected transactions required to be disclosed under the Rules Governing the Listing of Securities (the "**Hong Kong Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") 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 May 2024, Ganfeng International Trading (Shanghai) Co., Ltd., Bacanora Lithium Limited and Sonora Lithium Ltd. ("**Claimants**"), the controlled subsidiaries of the Company, initiated an arbitration proceeding against Mexico before the International Centre for Settlement of Investment Disputes ("**ICSID**") to challenge various measures that violated their rights under investment treaties. These measures included a series of laws, regulations, and related measures issued by Mexico, which effectively nationalized lithium resources, impacted the operation of the Sonora Lithium Project ("**Project**") and culminated with the cancellation of the mineral concessions held by the Company's Mexican subsidiaries on pretextual grounds.

During the Reporting Period, the Secretary General of ICSID has registered the arbitration, and the tribunal was formally constituted in January 2025. In April 2025, the Claimants submitted their memorial on the merits, witness statements and expert reports to the ICSID tribunal. In the ICSID arbitration, Claimants are asking that the tribunal order Mexico to fully repair the effects of its treaty violations in the form of: (i) the restitution of the concessions and associated rights to develop the Project in Mexico, as well as compensation for the Project's delays; or (ii) compensation for the entire fair market value of the Project. In July 2025, the Company's subsidiaries in Mexico withdrew the constitutional and administrative-contentious lawsuits filed n Mexico.. The withdrawal of these proceedings in Mexico coincides with Claimants' pursuit of the restitution remedy in the ongoing ICSID arbitration and will not cause a significant adverse impact to the Company and its subsidiaries. The final decision of arbitration has not yet been issued. There is uncertainty in the amount of compensation. The final compensation amount shall be subject to the decision of arbitration. The Board will actively pay attention to the progress of the matter and fulfil its information disclosure obligations in a timely manner.

The cancellation of the remaining share options in the 2021 Share Option Incentive Scheme

According to the relevant regulations of the 2021 share option incentive scheme of the Company ("**2021 Share Option Incentive Scheme**"), the third exercise period has expired, and unexercised share options during the third exercise period need to be cancelled. During the fourth exercise period, the Company did not meet the performance requirement, the share options during the fourth period cannot be exercised and must be cancelled. 5,162.15 thousand units of 2021 Share Options that have not been exercised during the third exercise period were cancelled by the Company; 5,162.15 thousand units of 2021 Share Options that cannot be exercised in the fourth period has been cancelled by the Company. After this cancellation, there are no remaining options under the 2021 Share Option Incentive Scheme. Please refer to the overseas regulatory announcement of the Company dated 11 June 2025 and 16 June 2025 for further details.

The vesting period for the 2021 Share Options shall commence from the date of grant of the 2021 Share Options and end on the first exercisable date of the 2021 Share Options. The vesting periods of the 2021 Share Options are 12 months, 24 months, 36 months and 48 months, respectively. During the vesting periods, the 2021 Share Options which are granted to the 2021 Participants shall not be transferred, pledged for guarantees or used for repayment of debt.

The exercise periods for the 2021 Share Options 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 date of grant to the last trading day upon the expiry of 24 months from the date of grant	25%
Second Exercise Period	Commencing from the first trading day upon the expiry of 24 months from the date of grant to the last trading day upon the expiry of 36 months from the date of grant	25%
Third Exercise Period	Commencing from the first trading day upon the expiry of 36 months from the date of grant to the last trading day upon the expiry of 48 months from the date of grant	25%
Fourth Exercise Period	Commencing from the first trading day upon the expiry of 48 months from the date of grant to the last trading day upon the expiry of 60 months from the date of grant	25%

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

Name	Position(s)	As at 31 December 2024 *(0'000 A Shares)*	Granted during the Reporting Period *(0'000 A Shares)*	Exercised during the Reporting Period *(0'000 A Shares)* *(Note 2)*	Cancelled during the Reporting Period *(0'000 A Shares)*	Lapsed during the Reporting Period *(0'000 A Shares)*	As at 30 June 2025 *(0'000 A Shares)* *(Note 3)*
Shen Haibo	Executive Director	14.00	–	–	14.00	–	0
Huang Ting	Executive Director, vice president and financial director	6.30	–	–	6.30	–	0
Xu Jianhua	Vice president	14.00	–	–	14.00	–	0
Fu Lihua	Vice president	10.50	–	–	10.50	–	0
Xiong Xunman	Vice president	10.50	–	–	10.50	–	0
Luo Guanghua	Vice president	5.60	–	–	5.60	–	0
Wang Bin	Vice president	7.00	–	–	7.00	–	0
Ren Yuchen	Secretary of the Board	4.90	–	–	4.90	–	0
Deng Zhaonan	Executive Director (Retired on 28 April 2025)	14.00	–	–	14.00	–	0
Core management and core technical (business) personnel		945.63	–	–	945.63	–	0
Total		1,032.43	–	–	1,032.43	–	0

Notes:

1. The share options were granted under the 2021 Share Option Incentive Scheme 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 share options granted but had not yet been exercised under the 2021 Share Option Incentive Scheme. The exercise price of the 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. As at 30 June 2025, the Company had 0 outstanding 2021 Share Options.

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

5. Pursuant to the rules of the 2021 Share Option Incentive Scheme, no further share options would be granted pursuant to the scheme mandate thereunder.

6. No share options have been granted under the Share Option Incentive Scheme 2021 during the Reporting Period.

The 2022 Share Option Incentive Scheme

The vesting period for the 2022 Share Options shall commence on the date of grant of the 2022 Share Options and end on the first exercisable date of the 2022 Share Options. The vesting periods of the 2022 Share Options are 12 months, 24 months, 36 months and 48 months, respectively.

The exercise periods for the 2022 Share Options 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 date of grant to the last trading day upon the expiry of 24 months from the date of grant	25%
Second Exercise Period	Commencing from the first trading day upon the expiry of 24 months from the date of grant to the last trading day upon the expiry of 36 months from the date of grant	25%
Third Exercise Period	Commencing from the first trading day upon the expiry of 36 months from the date of grant to the last trading day upon the expiry of 48 months from the date of grant	25%
Fourth Exercise Period	Commencing from the first trading day upon the expiry of 48 months from the date of grant to the last trading day upon the expiry of 60 months from the date of grant	25%

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 2024** *(0'000 A Shares)*	**Granted during the Reporting Period** *(0'000 A Shares)*	**Exercised during the Reporting Period** *(0'000 A Shares)*	**Cancelled during the Reporting Period** *(0'000 A Shares)*	**Lapsed during the Reporting Period** *(0'000 A Shares)*	**As at 30 June 2025** *(0'000 A Shares)*
Core management and core technical or business personnel	186.9	–	–	–	–	186.9
Total	186.9	–	–	–	–	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. As at 30 June 2025, 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.

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

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

Restricted Share Unit 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.

The vesting period of the awards granted 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.

The exercise period of the awards granted are as follows:

Exercise Arrangement	**Exercise Period**	**Exercise percentage**
First exercise period	Within four years from the first vesting date (12 July 2024)	25%
Second exercise period	Within three years from the second vesting date (12 July 2025)	25%
Third exercise period	Within two years from the third vesting date (12 July 2026)	25%
Fourth exercise period	Within one year from the fourth vesting date (12 July 2027)	25%

RSUs can be exercised after being vested. 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 an RSU is not exercised within four years after the first vesting date, the RSU 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.

Selected participants under the RSU Scheme

As of 30 June 2025, 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 granted awards comprising both vested and unvested awards are set out as follows:

Name	Position	As at 31 December 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	As at 30 June 2025
Directors of the Company							
Li Liangbin	Executive Director	600,000	–	–	–	–	600,000
Wang Xiaoshen	Executive Director	600,000	–	–	–	–	600,000
Li Chenglin	Executive Director	100,000	–	–	–	–	100,000
Sub-total		1,300,000	–	–	–	–	1,300,000
Others							
Senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		3,550,000	–	–	–	–	3,550,000
Total		4,850,000	–	–	–	–	4,850,000

Note:

1. No RSUs have been granted during the Reporting Period.

2. 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 could be vested and exercisable during the period commencing 12 July 2025 and ending on 11 July 2028;

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

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

3. Since the adoption of the RSU Scheme, no RSUs have been granted to the five highest paid individuals during the Reporting Period (other than the directors).

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 30 November 2023. 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 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 period of first grant part are as follow:

The first batch: 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: 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: 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: 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 are as follows:

The first batch: 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 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: 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 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: 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 covers four accounting years from 2023 to 2026, the vesting assessment period of the reserved grant 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**")
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 Employee 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 be vested in 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, which would 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 and 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.

The purchase of the shares of the Company under the 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 approximately 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.

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 approximately 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 fund for the Employee Stock Ownership Plan is subscribed in "units", each of which being RMB1.00. The units of the Employee Stock Ownership Plan shall not exceed 320 million units, among which the reserved part of the Employee Stock Ownership Plan shall not exceed 20 million units. All of participants in the reserved part are core management and core employees of the Company, with no directors, supervisors and senior management. The specific proportion of the grant part in the Employee Stock Ownership Plan is as follows:

Name of Holders	**Position**	**Remaining units as at 31 December 2024** *(10,000 units)*	**Vested during the Reporting Period** *(10,000 units)*	**Lapsed during the Reporting Period** *(10,000 units)*	**Remaining units as at 30 June 2025** *(10,000 units)*
Shen Haibo	Director, vice president	285.9730	35.7466	–	250.2264
Huang Ting	Director, financial director, vice president	214.4798	26.8099	–	187.6699
Subtotal		500.4528	62.5565	–	437.8963
Core management, core employees		29,184.6172	3,530.7205	234.7133	25,419.1834
Reserved		2,000.00	–	–	2,000.00
Total		31,685.07	3,593.277	234.7133	27,857.0797

The final subscription unit of the 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 Resources Department of the Company may make adjustment to the list of participants and the number of units to be subscribed 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 have been cancelled.

3. Given that the performance assessment results of 4 participants at the individual level under the Employee Stock Ownership Plan were lower than 60, the 4 participants could not vest the corresponding proportion of the equity interests of the Target Shares for that period, and the Management Committee withdrew the shares that have not met the vesting conditions. The Company decided to lapse the qualification of the above-mentioned participants, representing 234.7133 thousand units in total.

4. The number of the relevant units underlying the unexercised first grant part of Employee Stock Ownership Plan as at the end of the Reporting Period was 258,570,797, of which:

   a. 35,932,772 units could be vested during the period commencing 15 January 2025 and ending on 14 January 2026;

   b. 74,212,675 units could be vested during the period commencing 15 January 2026 and ending on 14 January 2027;

   c. 74,212,675 units could be vested during the period commencing 15 January 2027 and ending on 14 January 2028;

   d. 74,212,675 units could be vested during the period commencing 15 January 2028 and ending on 14 January 2029.

5. The number of the relevant units underlying the unexercised reserved part of Employee Stock Ownership Plan as at the end of the Reporting Period was 20,000,000, of which:

   a. 6,000,000 units could be vested during the period commencing 18 July 2025 and ending on 17 July 2026;

   b. 6,000,000 units could be vested during the period commencing 18 July 2026 and ending on 17 July 2027;

   c. 8,000,000 units could be vested during the period commencing 18 July 2027 and ending on 17 July 2028.

6. Since the adoption of the Employee Stock Ownership Plan no units have been granted to the five highest paid individuals during the Reporting Period (other than the directors).

Significant Events after the Reporting Period

Completion of the 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.

On 2 July 2025, the transactions contemplated under the 40% Acquisition Agreement have been completed (the "**Completion**"). After the Completion, the Company holds 100% equity interest in Mali Lithium. For further details in relation to the Completion, please refer to the announcement of the Company dated 2 July 2025.

FORMATION OF JOINT VENTURE AND ACQUISITION THROUGH ASSETS INJECTION BY JOINT VENTURE PARTNER AND PROVISION OF FINANCIAL ASSISTANCE

References are made to the announcement of the Company dated 12 August 2025 (the "**Announcement**"), GFL International and Lithium Argentina entered into the Framework Agreement, pursuant to which the parties have determined to consolidate their interests and investments in the Project Companies and the Consolidated Project as a joint enterprise through holdings in Millennial, consolidating GFL International's wholly-owned PPG Project with Lithium Argentina's majority-owned and GFL International's minority-owned PG Project and Puna Project. As a result of the Assets Consolidation, Millennial will be owned as to 67% by GFL International and 33% by Lithium Argentina.

At or prior to the Closing, the Parties shall enter into the New Debt Facility pursuant to which the Company or its subsidiary will make available to Lithium Argentina an aggregate amount of US$130 million as financial assistance to support Lithium Argentina's funding needs, including the development of the Consolidated Project or other purposes agreed upon by both parties. Lithium Argentina will grant to the Company or its subsidiary a first-priority pledge over Lithium Argentina's direct equity interests in Millennial (the "**Millennial Security**") pursuant to a pledge agreement in form and substance satisfactory to the Company or its subsidiary. Such security will be subordinated to, or partially released in favor of, secured financing provided by third-party creditors of Lithium Argentina, in proportion to the principal amount of such financing, upon satisfaction of certain conditions.

The basis of assets contribution by the parties was determined with reference to the due diligence on the mineral resources of the PPG Project, the PG Project and the Puna Project performed by Golder Associates, an independent consultant engaged by the Company. The ratio of the measured and indicated amount between (a) the combined LCE reserves of the PPG Project, the PG Project and the Puna Project, multiplied by GFL International's respective percentage ownership in each of these three projects and (b) the combined LCE reserves of the PG Project and the Puna Project, multiplied by Lithium Argentina's respective percentage ownership in these two projects, is approximately equal to GFL International's and Lithium Argentina's respective equity interest in Millennial.

In arriving its conclusion, Golder Associates has relied on GFL International, Lithium Argentina, and their independent consultants for matters referring to site topography, site environmental information, exploration, drilling, and general project information. The mineral resource estimate of the three lithium brine projects was prepared by Golder Associates in accordance with the guidelines of the National Instrument 43-101 and best practices methods specific to brine resources were used.

Golder Associates believes that a relatively complete and reliable resource estimation has been completed previously by the above projects. At the same time, as the exploration work of projects continues and the resource model improves, it is judged that the above resource estimation results can be achieved within a reasonable range.

The contribution of GFL International to Millennial was determined through arm's length negotiation, with reference to the above quantitative model and a number of factors including the Development Plan, future production capacity, lithium price forecasts, local policy risks in Argentina, and the cost of capital, and after considering GFL International's contribution of proprietary technology though the technology license agreement, it was agreed that GFL International will own 67% of interest and Lithium Argentina will own 33% of interest in Millennial.

Given that the three lithium brine development projects are all located in Salta, Argentina and are adjacent to one another, and that the LCE extracted from these three projects are of similar quality, the Directors consider it appropriate to adopt a quantitative comparison primarily based on the total LCE reserves of the three projects. Additionally, since GFL International will be responsible for all liabilities and expenses associated with PPG ProjectCo, and Lithium Argentina will be responsible for all liabilities and expenses associated with PG ProjectCo and Puna ProjectCo prior to completion of the Restructuring, and that the Consolidated Project will form the sole asset of Millennial after the Restructuring, the Directors believe that the basis of assets contribution by the parties with reference to the parties' respective allocation in the LCE reserves of the three projects before the Assets Consolidation is fair and reasonable.

The principal amount under the New Debt Facility was determined based on Lithium Argentina's funding needs, including potential development costs for the Consolidated Project shared by Lithium Argentina, and the Group's medium-to-long term capital requirement. The Company has conducted a credit assessment on Lithium Argentina with reference to its latest audited financial statements published on the websites of the TSX and the NYSE. In addition, it is noted that the book value of the Millennial Security after the completion of the Assets Consolidation will be significantly higher than the principal amount. Based on the foregoing, the Company is satisfied that the risk exposure of the Group under the New Debt Facility is acceptable and the New Debt Facility is adequately secured. When setting the interest rate of the New Debt Facility, the Company has considered, among other factors, the Secured Overnight Finance Rate set by the Federal Reserve Bank of New York, applicable local regulations and funding costs, prevailing bank deposit interests rates, and recent interest rate trends. The interest rate was finally determined after arm's length negotiation between GFL International and Lithium Argentina. The Group will finance the New Debt Facility by self-owned fund.

For further details in relation to the transaction, please refer to the Announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is firmly committed to achieving and maintaining high overall standards of corporate governance through continuous effort in improving its corporate governance practices and procedures. Through the establishment of a sound and effective corporate governance framework, the Company strives to ensure completeness and transparency in its information disclosure and enhance stable operation, so as to safeguard the interests of the shareholders of the Company to the greatest extent. The Company has adopted all code provisions and principles as set out in the Corporate Governance Code ("**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 provision B.2.2 in part 2 of the Corporate Governance Code, the Company has complied with the principles and code provisions of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules during the six months ended 30 June 2025.

Deviation from Code Provision B.2.2 in part 2 of the Corporate Governance Code

Code provision B.2.2 in part 2 of the Corporate Governance Code states that 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 of the Company ("**Supervisory Committee**") expired on DDMM, 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 Board believes 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 of the Company 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 enterprise until suitable candidates are identified to succeed the Directors and supervisors of the Company;

(2) The current Board members 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, the process of election and appointment needs to be carefully considered in terms of the suitability of the candidates; and until the completion of the suitability assessment of the candidates, it is beneficial for the Company to maintain the original membership structure in order to make business decisions in the best interest of the Company;

(3) Each of the independent non-executive Directors has provided the Company with an annual confirmation of his/her independence in accordance with Rule 3.13 of the Hong Kong Listing Rules. The Company has received annual confirmations from these Directors that each of the independent non-executive Directors is an independent party in 2024. The current membership structure provides adequate balance of power and authority for corporate governance and internal control.

To address the deviation from code provision B.2.2 in part 2 of the Corporate Governance Code, the Company completed the election and appointment of members of the Board and the Supervisory Committee on 28 April 2025 and will fulfill its corresponding information disclosure obligation in a timely manner.

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.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any listed securities of the Company (including treasury shares as defined in the Hong Kong Listing Rules) during the Reporting Period As at 30 June 2025, the Company did not hold any treasury shares as defined in the Hong Kong Listing Rules.

PROPOSED AMENDMENT OF ARTICLES OF ASSOCIATION

In order to further enhance the standardized operation of the Company, the Board proposes to comprehensively amend the Articles of Association in view of the Company Law of the People 's Republic of China, the Listing Rules of Shenzhen Stock Exchange, the Guidelines for Articles of Association of Listed Companies (Revised in 2025) the Listing Rules and the provisions of other relevant laws and regulations to comply with the latest laws and regulations.

The proposed amendment to the Articles is subject to the approval of the Shareholders by way of a special resolution at the general meeting of the Company.

Details in relation to the above-mentioned proposed amendment to the Articles will be set out in the circular of the general meeting to be disseminated to the shareholders of the Company in due course.

INTERIM DIVIDENDS

The Board proposed not to distribute any interim dividends for the Reporting Period (for the six months ended 30 June 2024: Nil).

REVIEW OF 2025 INTERIM 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. Wang Jinben, Mr. Wong Ho Kwan and Mr. Xu Guanghua. Mr. Wang Jinben serves as the chairman of the Audit Committee and possesses the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Hong Kong Listing Rules. The Audit Committee has reviewed the Group's unaudited interim results for the six months ended 30 June 2025, and is of a view that the preparation of such financial results compiled with the applicable accounting standards, the requirements under the Hong Kong Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.ganfenglithium.com). The Company's 2025 interim report containing the information as required by the Hong Kong Listing Rules will be dispatched to shareholders of the Company who requested to receive it in printed form and will be published on the website of the Hong Kong Stock Exchange and on the website of the Company in due course.

By Order of the Board
Ganfeng Lithium Group Co., Ltd.
Li Liangbin
Chairman

Jiangxi, the PRC
22 August 2025

As at the date of this announcement, the Board comprises Mr. LI Liangbin, Mr. WANG Xiaoshen, Mr. SHEN Haibo, Ms. HUANG Ting and Mr. LI Chenglin as executive directors of the Company; Ms. LUO Rong as non-executive director 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.