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寧德時代新能源科技股份有限公司 Contemporary Amperex Technology Co., Limited

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

Stock Code : 3750

GLOBAL OFFERING



Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers
(In alphabetical order)

BofA Securities

CICC

China Securities International

J.P. Morgan

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers
(In alphabetical order)

Goldman Sachs

Morgan Stanley

UBS

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers
(In alphabetical order)

BNP Paribas

Guotai Junan International

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.



Contemporary Amperex Technology Co., Limited

寧德時代新能源科技股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 117,894,500 H Shares (subject to the Offer Size Adjustment Option and the Over-allotment Option)
Number of Hong Kong Offer Shares	: 8,842,100 H Shares (subject to reallocation and the Offer Size Adjustment Option)
Number of International Offer Shares	: 109,052,400 H Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option)
Maximum Offer Price	: HK\$263.00 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars)
Nominal Value	: RMB1.00 per H Share
Stock Code	: 3750

*Joint Sponsors, Overall Coordinators, Joint Global Coordinators,
Joint Bookrunners and Joint Lead Managers
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BNP Paribas Guotai Junan International

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Appendix VII — Documents Delivered to the Registrar of Companies and Available on Display" to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other document referred to above.

The Offer Price may be fixed by agreement between the Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) at any time between Tuesday, May 13, 2025 and Friday, May 16, 2025 and in any event no later than 12:00 noon on Friday, May 16, 2025. If, for any reason, the Offer Price is not agreed by 12:00 noon on Friday, May 16, 2025 (Hong Kong time) between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse. The Offer Price will be no more than HK\$263.00 per Offer Share unless otherwise announced.

The Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters, and with our consent) may, where considered appropriate and with our consent, reduce the number of the Hong Kong Offer Shares stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of the Hong Kong Offer Shares will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.catl.com as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day for lodging applications under the Hong Kong Public Offering. For details, see "Structure of the Global Offering" and "How to Apply for the Hong Kong Offer Shares."

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this prospectus, including but not limited to the risk factors set out in the section headed "Risk Factors" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure applicants for the subscription for, the Hong Kong Offer Shares, are subject to termination by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. For details, see "Underwriting — Underwriting Arrangements — Hong Kong Public Offering — Grounds for Termination."

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

May 12, 2025

IMPORTANT

IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this Prospectus to the public in relation to the Hong Kong Public Offering.

This Prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk under the “*HKEXnews > New Listings > New Listing Information*” section, and our website at www.catl.com. If you require a printed copy of this Prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may:

- (1) apply online through the **White Form eIPO** service at www.eipo.com.hk; or
- (2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC’s FINI system to apply for the Hong Kong Offer Shares on your behalf.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this Prospectus are identical to the printed Prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary, broker or agent**, please remind your customers, clients or principals, as applicable, that this Prospectus is available online at the website addresses above.

Please refer to the section headed “How to Apply for the Hong Kong Offer Shares” for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

IMPORTANT

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be for a minimum of 100 Hong Kong Offer Shares and in one of the numbers set out in the table below.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Hong Kong Offer Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	HK\$		HK\$		HK\$		HK\$
100	26,565.24	3,000	796,957.06	50,000	13,282,617.76	700,000	185,956,648.50
200	53,130.47	4,000	1,062,609.42	60,000	15,939,141.30	800,000	212,521,884.00
300	79,695.71	5,000	1,328,261.78	70,000	18,595,664.86	900,000	239,087,119.50
400	106,260.94	6,000	1,593,914.14	80,000	21,252,188.40	1,000,000	265,652,355.00
500	132,826.18	7,000	1,859,566.49	90,000	23,908,711.96	1,500,000	398,478,532.50
600	159,391.42	8,000	2,125,218.85	100,000	26,565,235.50	2,000,000	531,304,710.00
700	185,956.65	9,000	2,390,871.20	200,000	53,130,471.00	2,500,000	664,130,887.50
800	212,521.89	10,000	2,656,523.56	300,000	79,695,706.50	3,000,000	796,957,065.00
900	239,087.12	20,000	5,313,047.10	400,000	106,260,942.00	3,500,000	929,783,242.50
1,000	265,652.35	30,000	7,969,570.66	500,000	132,826,177.50	4,000,000	1,062,609,420.00
2,000	531,304.71	40,000	10,626,094.20	600,000	159,391,413.00	4,421,000 ⁽¹⁾	1,174,449,061.45

Notes:

- (1) Maximum number of Hong Kong Offer Shares you may apply for.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **White Form eIPO** Service Provider (for applications made through the application channel of the **White Form eIPO** Service Provider) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

EXPECTED TIMETABLE

If there is any change to the expected timetable of the Hong Kong Public Offering, we will issue an announcement to be published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at www.catl.com.

Hong Kong Public Offering commences 9:00 a.m. on
Monday, May 12, 2025

Latest time to complete applications under the
White Form eIPO service through the
designated website at www.eipo.com.hk⁽²⁾ 11:30 a.m. on
Thursday, May 15, 2025

Application lists open⁽³⁾ 11:45 a.m. on
Thursday, May 15, 2025

Latest time (a) to complete payment of **White Form eIPO**
applications by effecting internet banking transfer(s)
or PPS payment transfer(s) and (b) give **electronic**
application instructions to HKSCC⁽⁴⁾ 12:00 noon on
Thursday, May 15, 2025

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to submit **electronic application instructions** on your behalf through HKSCC's FINI system in accordance with your instruction, you are advised to contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

Application lists close⁽³⁾ 12:00 noon on
Thursday, May 15, 2025

Expected Price Determination Period⁽⁵⁾ from Tuesday, May 13, 2025
to Friday, May 16, 2025

Announcement of:

the final Offer Price;

the level of applications of the Hong Kong Public Offering;

the level of indications of interest in the International Offering; and

the basis of allocation of the Hong Kong Offer Shares to be
published on the website of the Hong Kong Stock Exchange
at www.hkexnews.hk and our website at www.catl.com⁽⁶⁾ at or before 11:00 p.m.
on Monday, May 19, 2025

EXPECTED TIMETABLE

The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be made available through a variety of channels as described in the section headed "How to Apply for the Hong Kong Offer Shares — Publication of Results," including:

on the website of the Stock Exchange at www.hkexnews.hk and our website at www.catl.com⁽⁶⁾ respectively at or before 11:00 p.m. on Monday, May 19, 2025

on the designated results of allocation website at www.iporesults.com.hk (alternatively: www.eipo.com.hk/eIPOAllotment) with a "search by ID" function from 11:00 p.m. on Monday, May 19, 2025 to 12:00 midnight on Sunday, May 25, 2025

from the allocation results telephone enquiry line by at +852 2862 8555 between 9:00 a.m. and 6:00 p.m. from Tuesday, May 20, 2025 to Friday, May 23, 2025

Despatch of H Share certificates in respect of wholly or partially successful applications, or deposit of H Share certificate into CCASS, on or before⁽⁷⁾ Monday, May 19, 2025

Despatch of **White Form** e-Refund payment⁽⁸⁾ instructions and refund cheques in respect of wholly or partially successful applications or wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering on or before Tuesday, May 20, 2025

Dealings in our H Shares on the Hong Kong Stock Exchange expected to commence at 9:00 a.m. on Tuesday, May 20, 2025

Notes:

- (1) All dates and times refer to Hong Kong local time and dates unless otherwise stated.
- (2) You will not be permitted to submit your application through the designated website at www.eipo.com.hk after 11:30 a.m. on the last day for making applications. If you have already submitted your application and obtained an application reference number from the designated website before 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for making applications, when the application lists close.

EXPECTED TIMETABLE

- (3) If there is a “black” rainstorm warning, a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, May 15, 2025 the application lists will not open on that day. For details, see “How to Apply for the Hong Kong Offer Shares — Severe Weather Arrangements.”
- (4) If you instruct your broker or custodian who is a HKSCC Participant to give **electronic application instructions** via FINI to apply for the Hong Kong Offer Shares on your behalf, you should contact your broker or custodian for the latest time for giving such instructions which may be different from the latest time as stated above.
- (5) The Offer Price may be fixed by agreement between the Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) at any time between Tuesday, May 13, 2025 and Friday, May 16, 2025 (both days inclusive) and in any event no later than 12:00 noon on Friday, May 16, 2025 (“**Latest Time for Price Determination**”). In the event that the International Offering is fully covered, the Offer Price may be fixed at any time earlier than the Latest Time for Price Determination, and the allocation of the International Offer Shares under the International Offering will be determined shortly thereafter and the “book-building” process in respect of the allocation of Offer Shares under the International Offering will cease earlier. In such event, the Company will publish an announcement on the determination of the Offer Price as soon as practicable after such determination. Please refer to the section headed “Structure of the Global Offering — The International Offering — Pricing” for further details. If, for any reason, our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) are unable to reach agreement on the Offer Price on or before 12:00 noon on Friday, May 16, 2025, the Global Offering will not proceed and will lapse.
- (6) None of the websites or any of the information contained on the websites forms part of this prospectus.
- (7) The H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be on or around Tuesday, May 20, 2025 provided that the Global Offering has become unconditional in all respects. Investors who trade our H Shares on the basis of publicly available allocation details before the receipt of H Share certificates or before the H Share certificates become valid evidence of title do so entirely at their own risk.
- (8) White Form e-Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application.

Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation’s chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection.

Any uncollected H Share certificates and/or refund checks will be dispatched by ordinary post, at the applicants’ risk, to the addresses specified in the relevant applications.

Applicants who have applied through **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of **White Form e-Refund** payment instructions. Applicants who have applied through **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) despatched to the address as specified in their application instructions in the form of refund cheque(s) in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

For applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel, H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to their designated HKSCC Participant’s stock account.

For applicants who have applied through **HKSCC EIPO** channel, their broker or custodian will arrange refund to their designated bank account subject to the arrangement between them and their broker or custodian.

For details, see “How to Apply for the Hong Kong Offer Shares — Despatch/Collection of H Share Certificates and Refund of Application Monies.”

The above expected timetable is a summary only. You should read carefully the sections headed “Underwriting,” “Structure of the Global Offering” and “How to Apply for the Hong Kong Offer Shares” for details relating to the structure of the Global Offering and the conditions and procedures for application for the Hong Kong Offer Shares.

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IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for the purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained nor made in this prospectus must not be relied on by you as having been authorized by our Company, the Joint Sponsors, the Overall Coordinators, the Capital Market Intermediaries, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the Global Offering.

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SUMMARY

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

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors.” You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

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

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

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

SUMMARY

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

EV Battery¹

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

37.9%

Global Market Share in 2024

No. 1 in Non-China Markets

In 2024

27.0%

In 2024

ESS Battery²

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

36.5%

Global Market Share in 2024

Select Markets³

**72% of the High-End
Passenger EV**

Market in China

80% of the E-Bus

Market in China

71% of the E-Truck

Market in China

R&D⁴

RMB71.8 Bn

Cumulative R&D Spent from 2015
to 2024

43,354 Patents

Authorized/pending

Products

**TECHNOBEST 2024 Award,
AUTOBEST**

Shenxing battery

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

Qilin battery

Manufacturing

**Largest Globally:
676 GWh**

Production Capacity, 2024

**World's Only
3 Lighthouse Factories**

In the Lithium-ion Battery Industry

DPPB

Single-Cell Failure

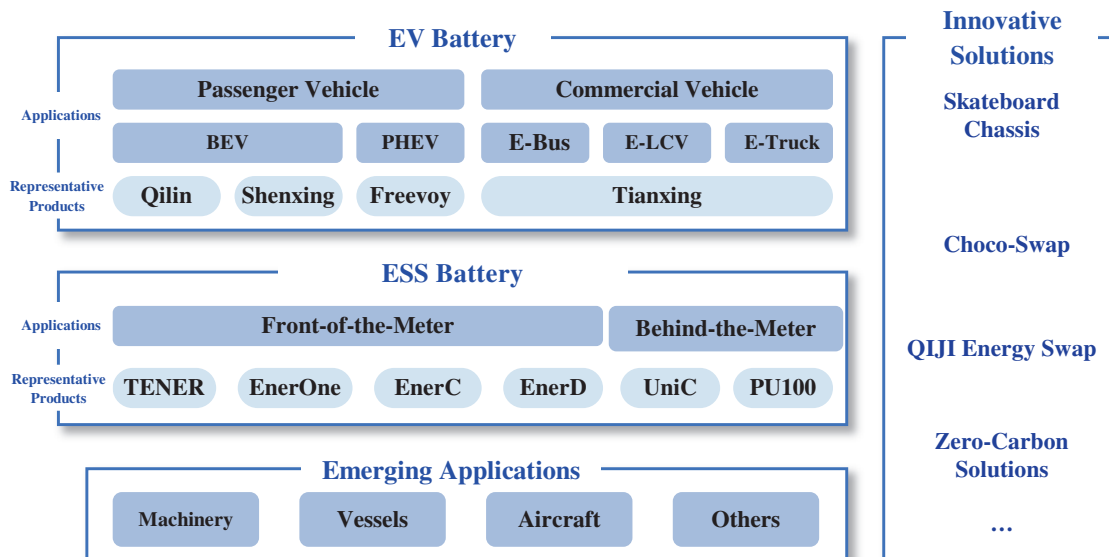
Notes:

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

SUMMARY

Our Business

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



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

Our Innovations

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

Our Global Presence

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

SUMMARY

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

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

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

Our Financial Performance

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

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

Our Sustainability Initiatives

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

SUMMARY

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

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

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

COMPETITIVE STRENGTHS

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

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

SUMMARY

GROWTH STRATEGIES

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

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

CUSTOMERS AND SUPPLIERS

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

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

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

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

SUMMARY

Summary of Consolidated Statements of Profit or Loss

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

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

SUMMARY

Revenue

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

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

Note:

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

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

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

SUMMARY

Gross Profit and Gross Profit Margin

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

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

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

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

Profits for the Year

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

SUMMARY

Summary of Consolidated Statements of Financial Position

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

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

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

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

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

SUMMARY

Summary of Consolidated Statements of Cash Flow

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

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

KEY FINANCIAL RATIOS

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

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

SUMMARY

Notes:

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

RISK FACTORS

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

SUMMARY

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Development

Product Launch

On April 21, 2025, we launched three major products that achieved multidimensional breakthroughs and innovations in product performance, chemical systems, and pack configurations. Among them: the second-generation Shenxing battery featuring superfast charging represents a breakthrough in product performance as the world's first LFP battery combining an 800 km range with a 12C peak charging rate; the Naxtra battery achieves a breakthrough in chemical systems as the world's first mass-produced sodium-ion power battery, maintaining high energy retention in extreme cold conditions and demonstrating exceptional safety performance in rigorous testing; and the dual/multi-core battery achieves a combined breakthrough in chemical systems and pack configurations through flexible combinations of multiple chemical systems and cross-system, cross-capacity, cross-voltage free configurations, overcoming the limitations of single chemical systems while leveraging synergistic advantages, making it suitable for different regions, end applications, and price segments to comprehensively meet customer and end-user needs.

Regulatory Update

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

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

Our revenue increased by 6.2% from RMB79.8 billion for the three months ended March 31, 2024 to RMB84.7 billion for the same period of 2025, primarily driven by the increasing customer demand for our products. Our revenue from sales of EV batteries increased by 14.0% from RMB55.4 billion for the three months ended March 31, 2024 to RMB63.2 billion for the same period of 2025, primarily attributable to robust sales volume growth of our EV batteries, partially offset by lower average selling price of our EV batteries. Our revenue from sales of

SUMMARY

ESS batteries decreased by 15.3% from RMB13.6 billion for the three months ended March 31, 2024 to RMB11.5 billion for the same period of 2025, mainly due to a reduction in our average selling price of ESS batteries in response to decrease in the prices of raw materials, including lithium carbonate, despite continuous sales volume increase.

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

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

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

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

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

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

Dividend Distribution for 2024

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

SUMMARY

Share Repurchase Mandate

On April 7, 2025, our Company convened a board meeting and approved, among other matters, a share repurchase mandate through centralized bidding (the “**Share Repurchase Mandate**”). Under the Share Repurchase Mandate, we will allocate between RMB4 billion and RMB8 billion of our own or raised funds to repurchase ordinary shares at a price not exceeding 150% of the average trading price of our A Shares for the 30 trading days immediately preceding the approval of the share repurchase resolutions by the Board. The repurchase period is within 12 months following the approval of the Share Repurchase Mandate. Under the Share Repurchase Mandate, as of the Latest Practicable Date, we completed repurchase of 6,640,986 Shares through centralized bidding, representing 0.1508% of our total share capital as of the same date, with a total transaction amount of RMB1,550,809,971 (excluding transaction fees).

No Material Adverse Change

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

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that (i) the Global Offering has been completed and 117,894,500 H Shares are newly issued in the Global Offering, and (ii) the Offer Size Adjustment Option and the Over-allotment Option for the Global Offering are not exercised:

	Based on an Offer Price of HK\$263.00 per H Share
Market capitalization of our H Shares	HK\$31,006.3 million
Market capitalization of our A Shares ⁽¹⁾	RMB1,045,294 million
Unaudited pro forma adjusted consolidated net tangible assets per Share ⁽²⁾	RMB60.11

SUMMARY

Notes:

- (1) Calculated based on the average closing price of the A Shares of RMB233.32 per share for the five business days immediately preceding the Latest Practicable Date and the total share capital of 4,403,394,911 A Shares as of the Latest Practicable Date and excluding 22,632,510 treasury shares.
- (2) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share is arrived at after the adjustments referred to in the section headed “Unaudited Pro Forma Financial Information” in Appendix II to this prospectus and on the basis that 4,505,297,887 Shares (representing 4,403,466,458 Shares in issue as of December 31, 2024, excluding 16,063,071 treasury shares as of December 31, 2024, adding 117,894,500 Offer Shares) were in issue, assuming that the Global Offering had been completed on December 31, 2024 but does not take into account of any Shares which may be allotted and issued by the Company upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option, any Shares which may be issued by our Company upon the exercise of any options may be granted under the Share Incentive Plans or any Shares which may be issued by our Company upon the exercise of any options may be granted under the Share Incentive Plans or any Shares which may be issued or repurchased by the Company.
- (3) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of our Group entered into subsequent to December 31, 2024. In particular, the unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company has not taken into account payment of dividend of RMB19,975,848,000 which was approved by the Shareholders on April 8, 2025. The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share would have been HK\$59.94 per Share if the dividend declaration had been accounted for as of December 31, 2024. For the calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share, see “Unaudited Pro Forma Financial Information” in Appendix II to this prospectus.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$30,717.9 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, and at an Offer Price of HK\$263.00 per Share, assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised.

We currently intend to apply these net proceeds for the following purposes:

- Approximately 90% or HK\$27,646.1 million will be used to advance the construction of Phase I and II of our Hungary project; and
- Approximately 10% or HK\$3,071.8 million will be used for working capital and other general corporate purposes.

For further information relating to our future plans and use of proceeds from the Global Offering, see “Future Plans and Use of Proceeds” in this prospectus.

SUMMARY

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

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

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

WAIVERS AND EXEMPTIONS

In connection with the Listing, we have applied for certain waivers and exemptions from strict compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance. Among the waivers and exemptions that we have applied for, we have applied to the Stock Exchange and/or the SFC for (i) a waiver from strict compliance with the requirement under Rule 19A.18(1) of the Listing Rules in respect of the appointment of an independent non-executive Director being ordinarily resident in Hong Kong; and (ii) an exemption from strict compliance with the requirement under paragraph 6 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in respect of the disclosure of executive Directors' residential addresses. For further details, see “Waivers and Exemptions.”

SUMMARY

DIVIDENDS

During the Track Record Period, we declared cash dividends to our Shareholders as follows.

	For the year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>		
Dividends attributable to the year			
Interim dividend	1,593,064	—	—
Final and special dividend	—	6,154,689	27,458,131

As of the date of this prospectus, we have paid these dividends in full.

After the completion of the Global Offering, we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. In principle, we prioritize cash dividends as the profit distribution method if the conditions for cash dividends are met. When we have major investment plans or significant cash expenditures, we may distribute dividends in the form of share equity. A decision to declare or to pay dividends in the future and the amount of dividends will be at the discretion of our Board and will depend on a number of factors, including our results of operations, cash flows, financial condition, payments by our subsidiaries of cash dividends to us, business prospects, statutory and regulatory restrictions on our declaration and payment of dividends and other factors that our Board may consider important. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. Our Shareholders may approve any declaration of dividends.

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

SUMMARY

LISTING EXPENSES

Listing expenses to be borne by us are estimated to be approximately HK\$288.3 million (based on an Offer Price of HK\$263.00 per Share), representing approximately 0.93% of the estimated gross proceeds from the Global Offering assuming the Offer Size Adjustment Option is not exercised and no Shares are issued pursuant to the Over-allotment Option. The listing expenses consist of (i) underwriting-related expenses, including underwriting commission, of approximately HK\$238.7 million, and (ii) non-underwriting-related expenses of approximately HK\$49.6 million, comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK\$24.4 million, and (b) other fees and expenses of approximately HK\$25.2 million. During the Track Record Period, we did not incur any listing expenses. Subsequent to the Track Record Period, approximately HK\$11.1 million is expected to be charged to our consolidated statements of profit or loss, and approximately HK\$277.2 million is expected to be accounted for as a deduction from equity upon the Listing. We do not believe any of the above fees or expenses are material or are unusually high for our Group. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain technical terms are explained in “Glossary.”

“A Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which are listed on the ChiNext of the Shenzhen Stock Exchange and traded in Renminbi
“Accountants’ Report”	the accountants’ report of our Company for the Track Record Period, as set out in Appendix I to this prospectus
“affiliate”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the articles of association of our Company adopted on January 17, 2025 which will become effective on the Listing Date and as amended from time to time, a summary of which is set out in “Appendix V — Summary of the Articles of Association” to this prospectus
“Audit Committee”	the audit committee of the Board
“Batteries and Waste Batteries Regulation”	Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, amending Directive 2008/98/EC and Regulation (EU) 2019/1020 and repealing Directive 2006/66/EC
“Board” or “Board of Directors”	the board of Directors of our Company
“Board of Supervisors”	the board of Supervisors of our Company
“Business Day” or “business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong and any day on which tropical cyclone warning no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong) on which banks in Hong Kong are generally open for normal banking business

DEFINITIONS

“CAES”	Contemporary Amperex Electric Ship Technology Limited (寧德時代電船科技有限公司), a company established on November 26, 2022 in the PRC, and one of our subsidiaries
“CAGR”	compound annual growth rate
“Capital Market Intermediaries”	has the meaning ascribed thereto under the Listing Rules, and unless the context requires otherwise, refers to the capital market intermediaries named in the section headed “Directors, Supervisors and Parties Involved in the Global Offering”
“CATH”	Contemporary Amperex Technology Hungary Korlátolt Felelősségű Társaság, a company incorporated on February 4, 2022 in Hungary, and one of our Major Subsidiaries
“CATL-FD”	Fuding Contemporary Amperex Technology Limited (福鼎時代新能源科技有限公司), a company established on January 14, 2021 in the PRC, and one of our Major Subsidiaries
“CATL-HK”	Contemporary Amperex Technology (Hong Kong) Limited, a company incorporated on April 1, 2016 in Hong Kong, and one of our Major Subsidiaries
“CATL-JS”	Jiangsu Contemporary Amperex Technology Limited (江蘇時代新能源科技有限公司), a company established on June 30, 2016 in the PRC, and one of our Major Subsidiaries
“CATL-RQ”	Guangdong Ruiqing Contemporary Amperex Technology Limited (廣東瑞慶時代新能源科技有限公司), a company established on February 8, 2021 in the PRC, and one of our Major Subsidiaries
“CATL-RT”	Ruiting Contemporary Amperex Technology (Shanghai) Limited (瑞庭時代(上海)新能源科技有限公司), a company established on May 24, 2021 in the PRC, and one of our Major Subsidiaries

DEFINITIONS

“CATL-SC”	Sichuan Contemporary Amperex Technology Limited (四川時代新能源科技有限公司), a company established on October 15, 2019 in the PRC, and one of our Major Subsidiaries
“CATT”	Contemporary Amperex Technology Thuringia AG, a company incorporated on September 11, 2018 in Germany, and one of our Major Subsidiaries
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China” or “PRC”	the People’s Republic of China
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司), a joint stock company with limited liability established on December 16, 2011, the A Shares of which have been listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 300750)
“Company Law” or “PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“Compliance Advisor”	China Securities (International) Corporate Finance Company Limited
“Critical Raw Materials Act”	Regulation (EU) 2024/1252 of the European Parliament and of the Council of 11 April 2024 establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1724 and (EU) 2019/1020

DEFINITIONS

“CSDC”	China Securities Depository and Clearing Co., Ltd. (中國證券登記結算有限責任公司)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)” or “our Director(s)”	the director(s) of our Company
“EIT”	enterprise income tax
“EIT Law”	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“EU”	European Union
“(EU) 2019/631 CO ₂ Emission Performance Standards”	Regulation (EU) 2019/631 of the European Parliament and of the Council of 17 April 2019 setting CO ₂ emission performance standards for new passenger cars and for new light commercial vehicles, and repealing Regulations (EC) No 443/2009 and (EU) No 510/2011 (recast)
“(EU) 2023/851 Strengthened CO ₂ Emission Performance Standards”	Regulation (EU) 2023/851 of the European Parliament and of the Council of 19 April 2023 amending Regulation (EU) 2019/631 as regards strengthening the CO ₂ emission performance standards for new passenger cars and new light commercial vehicles in line with the Union’s increased climate ambition
“EU Electricity Market Reform Package”	Directive (EU) 2024/1711 of the European Parliament and of the Council of 13 June 2024 amending Directives (EU) 2018/2001 and (EU) 2019/944 as regards improving the Union’s electricity market design and Regulation (EU) 2024/1747 of the European Parliament and of the Council of 13 June 2024 amending Regulations (EU) 2019/942 and (EU) 2019/943 as regards improving the Union’s electricity market design

DEFINITIONS

“EUR”	euro, the lawful currency of 20 of the 27 member states of the EU
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
“FINI”	Fast Interface for New Issuance, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings
“General Rules of HKSCC”	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“GGII”	Shenzhen GaoGong Industry Research & Consulting Co. Ltd., an independent market research and consulting company
“GGII Report”	the report prepared by GGII
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group,” “our Group,” “CATL,” “our,” “we” or “us”	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
“Guangdong Brulp”	Guangdong Brulp Recycling Technology Co., Ltd. (廣東邦普循環科技有限公司), a company established on December 7, 2005 in the PRC, and one of our subsidiaries
“H Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in HK dollars, and for which an application has been made for listing and permission to trade on the Stock Exchange

DEFINITIONS

“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC EIPO”	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC’s FINI system to apply for the Hong Kong Offer Shares on your behalf
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“HKSCC Operational Procedures”	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
“HKSCC Participant”	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars,” “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Offer Shares”	the H Shares offered by our Company for subscription pursuant to the Hong Kong Public Offering (subject to reallocation and the Offer Size Adjustment Option as described in “Structure of the Global Offering”)

DEFINITIONS

“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) on the terms and conditions described in this prospectus as further described in “Structure of the Global Offering — The Hong Kong Public Offering” in this prospectus
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering listed in “Underwriting — Hong Kong Underwriters” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement dated May 9, 2025 relating to the Hong Kong Public Offering entered into by, among other parties, our Company, the Joint Sponsors, the Overall Coordinators and the Hong Kong Underwriters, as further described in “Underwriting — Underwriting Arrangements — Hong Kong Public Offering — Hong Kong Underwriting Agreement” in this prospectus
“Hunan Brunp”	Hunan Brunp Recycling Technology Co., Ltd. (湖南邦普循環科技有限公司), a company established on January 11, 2008 in the PRC, and one of our Major Subsidiaries
“Hunan Brunp Automobile Recycling”	Hunan Brunp Automobile Recycling Co., Ltd. (湖南邦普汽車循環有限公司), a company established on February 20, 2008 in the PRC, and one of our subsidiaries
“IFRSs”	the International Financial Reporting Accounting Standards as issued by the International Accounting Standards Board
“Independent Third Party(ies)”	person(s) or company(ies) who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, are not our connected persons

DEFINITIONS

“International Offer Shares”	the H Shares initially offered by our Company for subscription at the Offer Price pursuant to the International Offering together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option, subject to adjustment as described in “Structure of the Global Offering” in this prospectus
“International Offering”	the offer of the International Offer Shares by the International Underwriters at the Offer Price outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act, as further described in “Structure of the Global Offering” in this prospectus
“International Underwriters”	the underwriters expected to enter into the International Underwriting Agreement relating to the International Offering
“International Underwriting Agreement”	the underwriting agreement expected to be entered into on or before May 19, 2025 by, among other parties, our Company, the Joint Sponsors, the Overall Coordinators, and the International Underwriters, as further described in “Underwriting — Underwriting Arrangements — International Offering — International Underwriting Agreement” in this prospectus
“Joint Bookrunners,” “Joint Global Coordinators,” and “Joint Lead Managers”	the joint bookrunners, the joint global coordinators, and the joint lead managers as named in “Directors, Supervisors and Parties Involved in the Global Offering” in this prospectus
“Joint Sponsors”	the joint sponsors as named in “Directors, Supervisors and Parties Involved in the Global Offering” in this prospectus
“Latest Practicable Date”	May 7, 2025, being the latest practicable date for the purpose of ascertaining certain information in this prospectus prior to its publication
“Listing”	the listing of our H Shares on the Stock Exchange

DEFINITIONS

“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Date”	the date expected to be on or about Tuesday, May 20, 2025, on which dealings in our H Shares first commence on the Stock Exchange
“Listing Guide” or “Guide for New Listing Applicants”	the Guide for New Listing Applicants as published by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
“Major Subsidiaries”	the major subsidiaries of our Company listed in “History and Corporate Structure — Our Major Subsidiaries”
“MIIT”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“MOF” or “Ministry of Finance”	Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“NEA”	National Energy Administration of the PRC (中華人民共和國國家能源局)
“Ningbo Brunp”	Ningbo Brunp Recycling Technology Co., Ltd. (寧波邦普循環科技有限公司), a company established on December 2, 2019 in the PRC, and one of our Major Subsidiaries
“Nomination Committee”	the nomination committee of the Board

DEFINITIONS

“NPC”	National People’s Congress of the PRC (中華人民共和國全國人民代表大會)
“Offer Price”	the final offer price per Hong Kong Offer Share in Hong Kong dollars (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%) at which Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in “Structure of the Global Offering — Pricing” in this prospectus
“Offer Share(s)”	the Hong Kong Offer Share(s) and the International Offer Share(s), together, where relevant, with any additional H Shares which may be issued by our Company pursuant to the exercise of the Offer Size Adjustment Option and/or the Over-allotment Option
“Offer Size Adjustment Option”	the option under the Hong Kong Underwriting Agreement, exercisable by the Company with the prior written agreement between the Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) on or before the execution of the Price Determination Agreement, pursuant to which the Company may issue and allot up to an aggregate of 17,684,100 additional H Shares (representing in aggregate approximately 15.0% of the Offer Shares initially being offered under the Global Offering) at the Offer Price, to cover additional market demand, as described in “Structure of the Global Offering — Offer Size Adjustment Option”
“Overall Coordinators”	the overall coordinators as named in “Directors, Supervisors and Parties Involved in the Global Offering”

DEFINITIONS

“Over-allotment Option”	the option expected to be granted by our Company to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 17,684,100 additional H Shares (representing in aggregate approximately 15.0% of the Offer Shares initially being offered under the Global Offering assuming the Offer Size Adjustment Option is not exercised at all) or up to 20,336,700 additional H Shares (representing in aggregate approximately 15.0% of the Offer Shares being offered under the Global Offering assuming the Offer Size Adjustment Option is exercised in full), at the Offer Price to, among other things, cover over-allocations in the International Offering, if any. For details, see “Structure of the Global Offering — Stabilization” in this prospectus
“Overseas Listing Trial Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) released by the CSRC on February 17, 2023 and took effect on March 31, 2023
“PBOC”	People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC GAAP”	generally accepted accounting principles in mainland China
“PRC Legal Advisors”	Llinks Law Offices, the legal advisors to our Company as to the laws of the PRC
“Price Determination Date”	the date, which may be any time between Tuesday, May 13, 2025 and Friday, May 16, 2025 and in any event no later than 12:00 noon on Friday, May 16, 2025, on which the Offer Price is to be fixed for the purposes of the Global Offering
“Prismatic Super Line” or “PSL”	an advanced proprietary battery production line developed by CATL based on cutting-edge technologies

DEFINITIONS

“prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering
“R&D”	research and development
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Ruihua Investment”	Ruihua Investment (Hong Kong) Company Limited, a private limited company incorporated in Hong Kong and wholly owned by Mr. Zeng Yuqun as of the Latest Practicable Date
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“Securities and Futures Ordinance” or “SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Securities Law” or “PRC Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
“Share Incentive(s)”	restricted stock(s) and/or stock option(s) granted under the Share Incentive Plans (as the case may be)

DEFINITIONS

“Share Incentive Plans”	the share incentive plans of our Company currently in effect, including the 2021 Share Incentive Plan, the 2022 Share Incentive Plan and the 2023 Share Incentive Plan
“Shareholder(s)”	holder(s) of our Share(s)
“Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, HKSCC and China Securities Depository and Clearing Corporation Limited for mutual market access between Hong Kong and Shenzhen
“Stabilization Manager”	China International Capital Corporation Hong Kong Securities Limited
“State Council”	State Council of the PRC (中華人民共和國國務院)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Strategy Committee”	the strategy committee of the Board
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“Supervisor(s)”	member(s) of the Board of Supervisors
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the three years ended December 31, 2022, 2023 and 2024
“UABC”	United Auto Battery Co., Ltd. (時代上汽動力電池有限公司), a company established on June 8, 2017 in the PRC, and one of our Major Subsidiaries
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement

DEFINITIONS

“United States,” “USA” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollars,” “US\$” or “USD”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“VAT”	value added tax
“ White Form eIPO ”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website of White Form eIPO Service Provider at www.eipo.com.hk
“ White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“Xiamen Ruiting”	Xiamen Ruiting Investment Co., Ltd. (廈門瑞庭投資有限公司), a limited liability company established in the PRC and owned as to 55% by Mr. Zeng Yuqun and 45% by Ruihua Investment as of the Latest Practicable Date
“2021 Share Incentive Plan”	the restricted stock and stock option incentive plan approved and adopted by Shareholders of our Company on November 12, 2021, the principal terms of which are set out in “Appendix VI — Statutory and General Information — 4. Share Incentive Plans” to this prospectus
“2022 Share Incentive Plan”	the restricted stock and stock option incentive plan approved and adopted by Shareholders of our Company on September 5, 2022, the principal terms of which are set out in “Appendix VI — Statutory and General Information — 4. Share Incentive Plans” to this prospectus

DEFINITIONS

“2023 Share Incentive Plan”	the restricted stock incentive plan approved and adopted by Shareholders of our Company on August 24, 2023, the principal terms of which are set out in “Appendix VI — Statutory and General Information — 4. Share Incentive Plans” to this prospectus
“%”	per cent

For the purpose of this prospectus, references to “provinces” of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

In this prospectus the terms “associate(s),” “close associate(s),” “connected person(s),” “core connected person(s),” “connected transaction(s),” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

For ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, nature persons or other entities (including certain of our subsidiaries) have been included in this prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

GLOSSARY

In this prospectus, unless the context otherwise requires, explanations and definitions of certain terms used in this prospectus in connection with our Group and our business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meanings or usage of these terms.

“3D printing”	a cutting-edge technology that enhances battery design, prototyping, and production by building complex structures layer by layer with high precision
“5G+”	the integration of 5G technology with advanced digital innovations to enhance R&D, battery manufacturing and others
“AB battery system”	a single battery system that combines two different types of battery cells
“battery electric vehicle” or “BEV”	a type of vehicle propelled solely by battery-powered electric motors, without using internal combustion engines
“behind-the-meter” energy storage or “BTM” energy storage	a type of energy storage system installed on the load side of the grid
“BMS”	Battery Management System
“C” or “C-rate”	charge and discharge rate, an indicator for battery charge and discharge speed. A 1C rating means a battery can be charged or discharged completely in one hour at its rated capacity; a 4C rating means a battery can be charged or discharged completely in 15 minutes at its rated capacity
“cascade utilization”	the reuse (which may or may not involve additional limited processing) of retired rechargeable batteries in another application
“cell”	battery cell
“condensed battery”	a type of lithium-ion battery with electrolyte containing condensed matter

GLOSSARY

“CTC”	cell-to-chassis, a technology that integrates battery cells directly into the vehicle chassis without modules nor packs
“CTP”	cell-to-pack, a technology that integrates battery cells directly into the battery pack without modules
“CV”	commercial vehicles
“digital twin simulation”	the virtual mirroring of a physical battery system, integrating technologies such as real-time data monitoring, analysis, and advanced simulation technologies to optimize battery design, manufacturing, and performance
“DPPB”	defective parts per billion, a quality control measurement in manufacturing
“DPPM”	defective parts per million, a quality control measurement in manufacturing
“E-Bus”	buses fully or partially propelled by battery-powered electric motors
“E-LCV”	light commercial vehicles, including vans and light-duty trucks, fully or partially propelled by battery-power electric motors
“E-Truck”	medium- and heavy-duty trucks fully or partially propelled by battery-powered electric motors
“electric vehicle” or “EV”	vehicles powered fully or partially by battery, comprising of BEV and PHEV
“electrochemical phase-field methods”	computational modeling techniques that simulate and predict the behavior of electrochemical systems at a microscopic or mesoscale level by describing the evolution of different phases (solid, liquid, or gaseous states) and chemical compositions over time through the solution of thermodynamic and kinetic equations
“energy density”	the amount of energy that can be stored within a given volume or given mass

GLOSSARY

“ESS”	energy storage system
“ESS battery”	a battery used for energy storage system
“EV battery”	a battery used in EV and other hybrid vehicles, machinery, vessel, aircraft and other mobility applications
“extreme manufacturing”	a concept proposed by CATL for the intelligent manufacturing of lithium-ion batteries. Specifically, lithium-ion battery manufacturing requires strong interconnection of multiple physical fields, multi-scale control, and strict shape and performance control. To address the challenges of large-scale, high-quality manufacturing of lithium-ion batteries, CATL leverages digitalization and intelligent technologies to optimize systematic design, simulation, and key processes, significantly improving production efficiency, yield rate, and consistency
“front-of-the-meter” energy storage system or “FTM” energy storage system	a type of energy storage system installed on the utility or grid side
“GW”	Gigawatt, a unit for measuring power, 1 GW=1 billion watts
“GWh”	Gigawatt-hours, a unit of electric energy, 1 GWh=1 billion Wh
“kW”	kilowatt, a unit for measuring power, 1 kW=1,000 watts
“kWh”	kilowatt-hours, a unit of electric energy, 1 kWh=1,000 Wh
“L2” and “L3”	two of the five levels of driving automation, classified by SAE International
“LFP battery”	a lithium-ion battery that uses lithium iron phosphate (LiFePO_4) as the cathode material

GLOSSARY

“life cycle”	the number of times (or cycles) a battery can charge and discharge until its retirement
“lighthouse factory”	World Economic Forum-recognized factories, showcasing best practices in the application of Fourth Industrial Revolution (4IR or Industry 4.0) technologies and representing the highest level of global intelligent manufacturing and digitalization
“Lithium and Sodium AB”	a single battery system that combines both lithium-ion battery cell and sodium-ion battery cell
“lithium-ion battery”	rechargeable batteries that utilize lithium ions as conductive ions that move between the anode and cathode, and charge and discharge through the mutual conversion of chemical energy and electrical energy
“M3P battery”	a lithium-ion battery that incorporates phosphate, manganese or other metals in its cathode materials
“machine vision inspection”	an advanced automated optical inspection technology that uses cameras, sensors, image processing algorithms and other technologies to detect defects, ensure quality, and optimize production processes in battery manufacturing
“microgrid”	a local power generation and distribution system integrating distributed energy sources, storage devices, energy conversion equipment, loads, and monitoring and protection devices, etc., which is able to operate on and off grid
“molecular dynamics”	a research method based on computer simulation that tracks the movements and interactions of atoms and molecules over time, providing insights into the dynamic evolution of a system
“MWh”	Megawatt-hours, a unit of electric energy, 1 MWh=1 million Wh

GLOSSARY

“NCM”	nickel-cobalt-manganese ternary materials, which can be used as cathode materials for ternary batteries. Given different ratios of nickel, cobalt and manganese, it can be classified into NCM523, NCM622, NCM811, etc.
“Net Zero Tracker”	a global database and analytical tool that monitors net zero commitments from countries, regions, cities, and major companies
“NEV”	new energy vehicles, including EV, hydrogen and other new type of fuel cell vehicles
“phase diagram theory”	a scientific framework used to describe the stable and metastable phases of a material under varying temperature, pressure, and composition conditions, which helps understand how materials transition between different states (solid, liquid, gas) and phases (such as crystalline structures or alloy compositions)
“PHEV”	plug-in hybrid electric vehicles (including REV)
“PV”	passenger vehicles
“REV”	extended-range electric vehicles
“SGS”	SGS is a Swiss multinational company headquartered in Geneva, which provides inspection, verification, testing and certification services
“sodium-ion battery”	batteries that utilize sodium ions as conductive ions that move between the anode and cathode, and charge and discharge through the mutual conversion of chemical energy and electrical energy
“solid-state battery”	a type of rechargeable lithium-ion batteries that use solid-state electrolyte
“ternary battery”	a type of batteries that integrates a cathode composed of three metallic elements, such as nickel, cobalt and manganese
“TWh”	Terawatt-hours, a unit of electric energy, 1 TWh=1 billion kWh

GLOSSARY

“unit economics”	profitability at the battery product unit level, calculated by deducting battery cost of sales from battery revenue and then dividing by battery sales volume
“W”	watt, a unit for measuring power
“Wh/kg”	Watt hour per kilogram

FORWARD-LOOKING STATEMENTS

We have included in this prospectus forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This prospectus contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words “aim,” “anticipate,” “believe,” “could,” “estimate,” “expect,” “going forward,” “intend,” “may,” “might,” “ought to,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “will,” “would” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change.

These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our mission, goals and strategies;
- our future business development, financial conditions and results of operations;
- future developments, trends and conditions in the industries and markets in which we operate or into which we intend to expand;
- our expectations regarding demand for and market acceptance of our products and services;
- our expectations regarding our relationships with customers, business partners, suppliers and other partners;
- changes in the macro environment, regional and global economy, as well as industry trends related to our operations;
- our ability to adequately protect our reputation and brand image, as well as our intellectual property rights;
- our ability to obtain adequate capital resources to fund future development plans;
- our ability to control costs, as well as to achieve and maintain operational efficiency;

FORWARD-LOOKING STATEMENTS

- our ability to attract and retain qualified personnel;
- competitive position in the industries and markets in which we operate or into which we intend to expand;
- our proposed use of proceeds;
- rapid developments in technology and our ability to successfully keep up with technological advancement;
- changes in currency exchange rates;
- relevant government policies and regulations relating to industries which we operate in;
- certain statements in this prospectus with respect to trends in prices, operations, margins, overall market trends, and risk management;
- volatilities in interest rates, equity prices, volumes, operations, margins, risk management and overall market trends;
- various uncertainties described in the “Risk Factors;” and
- other statements in this prospectus that are not historical facts.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. In light of the aforementioned and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect or at all. Accordingly, the forward-looking statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. Moreover, the inclusion of forward-looking statements should not be regarded as representations by us that our plans and objectives will be achieved or realized. All forward-looking statements in this prospectus are qualified by reference to the cautionary statements in this section.

In this prospectus, statements of or references to our intentions or those of the Directors are made as of the date of this prospectus. Any such information may change in light of future developments.

RISK FACTORS

You should carefully consider all of the information in this prospectus, including the following risk factors before making any investment decision in relation to the H Shares. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The market price of the H Shares could fall significantly due to any of these risks, and you may lose all or part of your investment. The information given is subject to the cautionary statements in the section headed “Forward-Looking Statements.”

We believe that there are certain risks involved in our operations, many of which are beyond our control. Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, financial condition and operating results. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISKS RELATING TO OUR INDUSTRY AND BUSINESS

The demand in the end markets of our industry is constantly changing. If we are unable to respond effectively to these changes, our business, results of operations and financial condition will be materially and adversely affected.

We operate globally. Our business primarily focuses on the R&D, manufacturing and sales of EV batteries and ESS batteries.

EV batteries are primarily used in EV, including PV and CV, and the electrification of other emerging areas. The demand for electrification in these applications may fluctuate due to various factors, including but not limited to the macroeconomic environment, end-user preferences, cost efficiency, electrification technology and completeness of the infrastructure. These factors may affect the demand for EV and thus affect the demand for EV batteries, and as a result our EV battery business may not be able to maintain its growth rate during the Track Record Period, which may in turn have a material adverse effect on our business, results of operations and financial condition.

ESS batteries are widely adopted in both FTM and BTM applications. The demand for ESS batteries in these applications is affected by various factors, including but not limited to global power demand, global penetration rate of renewable energy sources such as wind and solar, demand for grid stability, technological improvement in relevant areas (such as safety and life cycle), as well as cost efficiency. These factors will affect the demand for ESS batteries, thus our ESS battery business may not be able to maintain its growth rate during the Track Record Period, which may in turn have a material adverse effect on our business, results of operations and financial condition.

RISK FACTORS

If we fail to maintain technology leadership in the battery industry, our operating results may be adversely affected.

Since inception, we have consistently made significant investments in R&D, and achieved technology leadership in battery materials, battery systems, battery recycling and other related areas. Through these efforts, we have established industry-leading technological R&D capabilities.

The battery and new energy industries are at a stage of rapid development and technology innovation continues to emerge. We cannot guarantee that we will be able to timely adapt our R&D focus to technological and industry trends, successfully launch and commercialize new products, or complete our R&D goals within the anticipated time and budget. Meanwhile, industry players are investing in the R&D of innovative technologies. If our competitors develop new technologies that we fail to keep up with, these technologies may provide them with performance or price advantage over us, potentially undermining our technology leadership and competitive advantages. If any of these events occurs, our business, results of operations and financial condition could be materially and adversely affected.

We face risks of changing new energy industry policies.

To address global climate change challenges, countries and regions worldwide are increasingly emphasizing green and low-carbon, and sustainable development, and implementing supportive policies for green and low-carbon development and energy transition.

In mainland China, under the national carbon neutrality target, the government has promulgated, revised and updated policies to promote the development of non-fossil energy sources, comprehensively drive green energy transition, encourage the development of NEV and energy storage markets and guide high-quality development of lithium-ion battery industry. These policies, among other factors, drive the development and growth in the EV battery and ESS battery industries, and uncertainties and changes in level of support of such policies may affect our operations.

Outside of mainland China, many countries and regions have implemented policies to support the development of new energy industry and boost market demands, but there might be additional requirements or restrictions on such supportive policies. Changes in these policies or our failure to meet such conditions could adversely affect our operational results.

RISK FACTORS

Our business faces competition.

We face competition in the global EV battery and ESS battery market. Our existing and potential competitors may seek to increase their market share through measures such as investing in R&D, increasing production capacity and aggressively conducting sales and marketing activities. Our competitors may also attempt to attract customers or increase sales volume by reducing price. Competitive pressures may adversely affect the demand and pricing of our products, which in turn affect our growth and market share. If we fail to compete effectively, we may not be able to maintain or expand our market share, which may adversely affect our business, results of operations and financial condition.

We may face risks if there are quality issues with our products.

Batteries carry energy and are crucial to the performance and safety of EV and ESS; hence, product quality is of significant importance. We are always highly committed to product quality and safety, considering them vital to our operation. Our quality management and risk control systems span across the entire product life cycle, including product design, procurement, production, sales, usage and maintenance. We did not experience any major product quality or safety issues during the Track Record Period. However, given that product quality control involves complex processes and may be difficult to manage, and our products have long life cycle, we cannot guarantee that there are no and will not be any quality issues with our products.

Any quality issues with our battery products could compromise our product performance, lose customers and/or orders, and reduce our profitability. In severe cases, we may need to recall our products or take other measures. In addition, third parties who have suffered losses may bring claims or legal proceedings against us. Any of these events could have an adverse impact on our brand and reputation. Certain product liability claims may arise from defective parts and components that we have procured from suppliers. While we may seek indemnification from suppliers for these low quality materials or defective components, such efforts may be costly, time-consuming and ultimately futile. These suppliers may not be able to fully compensate us or at all, for the losses we suffer as a result of these defects and product liability claims.

RISK FACTORS

If we are unable to retain our existing customers or attract new customers, our business, financial condition and results of operations could be materially and adversely affected.

Our EV battery customers primarily consist of domestic and international automotive OEMs. Our ESS battery customers and partners mainly comprise ESS integrators, project developers, and operators.

Our product quality and manufacturing capability are widely recognized globally. However, our future success depends significantly on our ability to maintain and enhance such customer relationship. If we are unable to retain existing customers or attract new customers in the future due to our products failing to meet customer requirements or market demand, or various other factors, our business, financial condition and results of operations will be adversely affected.

We face uncertainties and risks in overseas manufacturing and operations.

Beyond China, we have established a manufacturing base in Thuringia, Germany, and we are preparing and advancing our plant in Hungary, our JV factory with Stellantis N.V. in Spain, and our battery value chain projects in Indonesia. We may continue to build overseas manufacturing bases for batteries and related materials in the future. For details, see “Business — Production — Manufacturing Bases.” The construction and operations in relation to these overseas manufacturing bases are subject to various risks and uncertainties, including but not limited to:

- political and economic instabilities, including changes in government policies or regulations affecting foreign investments, economic fluctuations and currency volatility, geopolitical tensions or conflicts impacting business operations;
- lack of familiarity with local laws, regulatory requirements and industry standards;
- potential differences in environmental, construction and other standards between overseas and mainland China;
- lack of familiarity with local operating and market conditions;
- operational constraints imposed by local labor union systems and potentially more stringent labor protection regulations;
- risk of legal proceedings in foreign jurisdictions;
- potential failure to achieve the expected returns from investing in manufacturing bases;
- potential difficulties in managing relationships with foreign customers;

RISK FACTORS

- difficulties in enforcing agreements and collecting overdue receivables under local legal systems;
- difficulties and costs of staffing and managing overseas operations;
- challenges due to differences in social environment, culture and languages;
- difficulties in managing relationships with local communities and potential disputes with them; and
- other obstacles and risks related to overseas manufacturing and operations.

As a global company, our success depends, in part, on our ability to manage these risks. The above-mentioned risks vary from country to country and are difficult to predict. We may not be able to develop and implement initiatives that address these risks effectively in each region in which we conduct business, and there can be no assurance that risks we may face as we expand our overseas manufacturing and operations will not adversely affect our reputation, business, results of operations, financial condition and the use of proceeds from the Global Offering.

Price fluctuation and inadequate supply of materials and equipment for our production could adversely affect our business, financial condition and results of operations.

The materials for battery manufacturing mainly include cathode, anode, separator and electrolyte, which are significantly affected by the price of metals or commodities such as lithium, nickel, and cobalt. The supply and prices of these materials may fluctuate depending on a number of factors beyond our control, including but not limited to the availability of upstream mining resources, market supply and demand, potential speculative activities, market disruptions and natural disasters. Historically, we experienced significant price fluctuations of certain raw materials for our production. For example, during the Track Record Period, the price of lithium carbonate increased sharply and then declined significantly, resulting in relatively substantial fluctuations in our costs. In addition, we also use other materials in our production, including electronic parts and structural parts of batteries. Prices and supply of these parts are also affected by factors such as supply and demand, and technological advances. The above-mentioned price fluctuations and changes in supply of materials and parts required for manufacturing may affect our procurement costs and production activities.

We also purchase various equipment used in our production. To ensure the quality of our products, we purchase from reputable suppliers to ensure a secure, cost-efficient and timely supply of critical equipment. If our suppliers fail to meet our requirements, our business and results of operations may be affected.

RISK FACTORS

Our success depends on our ability to protect our intellectual property rights. Intellectual property infringement by and disputes with third parties may adversely affect our business, financial condition and results of operations.

We regard our patents, know-how, proprietary technologies, trademarks, copyrights, domain names and other intellectual properties as critical to our business development and operations, and we rely on both intellectual property laws and contractual arrangements, and take a series of measures to protect our intellectual properties. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages as we expected. In addition, there can be no assurance that our patent applications will be approved, that any issued patents will adequately protect our intellectual property, or that such patents will not be challenged by third parties or found by a judicial authority to be invalid or unenforceable. Furthermore, we may not have sufficient intellectual property rights in all countries and regions due to lack of comprehensive intellectual property laws in certain regions, and our ability to protect our intellectual property rights differs by jurisdiction.

We may be a party to claims and litigation as a result of infringement by third parties of our intellectual property rights. Even when we sue the parties for such infringement, such lawsuits may have adverse consequences for our business. Any of such lawsuits may be time-consuming and costly to resolve and may divert our management's time and attention from our business. It could also result in a court or governmental agency invalidating, narrowing the scope of, or rendering our patents or other intellectual property rights involved in such lawsuits unenforceable which may significantly harm our business. Our products may infringe issued patents of third parties. If any of our products infringes a valid and enforceable patent, we may be prevented from selling, or choose to cease the sales of related products. Additionally, we may face liabilities to our customers, business partners or third parties for indemnification or other remedies in the event that they are sued for infringement in connection with their use of our products.

We carefully select suppliers and adopt relevant management policies. However, there can be no assurance that such measures will be sufficient to prevent suppliers from providing products with potential intellectual property issues, nor can we guarantee that we will be able to recover all damages or compensation from suppliers in respect of claims by third parties against us for such products or intellectual property infringement. If any of these events occur, our reputation could be damaged, and our business, financial condition and results of operations may be adversely affected.

Our brand may be counterfeited and imitated. We cannot assure that brand counterfeiting or imitation will not occur in the future or, if it does occur, that we will be able to identify or address the problem effectively or in a timely manner. Any occurrence of counterfeiting or imitation of our products or other infringement of our brand could adversely affect our reputation and brand.

RISK FACTORS

Although we enter into employment agreements with confidentiality, non-compete covenants and intellectual property ownership clauses, we cannot assure that these agreements will not be breached, that we will have adequate remedies for any breach in time or at all, or that our proprietary technology, know-how or other intellectual property will not otherwise become known to third parties. Similarly, if we recruit employees who breached confidentiality, and/or non-compete covenants with their prior employers, we may become subject to claims that such employees have improperly used or disclosed trade secrets or other proprietary information in violation of their confidentiality, and/or non-compete covenants in a way that unduly benefits us.

We face potential challenges and risks managing the expansion into new products and new businesses.

We continuously expand our products and business, including but not limited to broadening our products applications and exploring integrated innovative solutions along the battery value chain. The expansion of these products and businesses exposes us to a number of risks and challenges, including but not limited to:

- failure of our new products or new businesses to be accepted by our customers or to meet our expected targets;
- insufficient experience or expertise in expansion into certain new products or new businesses, which may prevent us from effectively competing in these areas;
- failure to achieve expected investment returns from our new businesses;
- failure to make accurate analysis or judgment regarding market conditions of our new businesses;
- increasing difficulty in managing the day-to-day operations of our businesses;
- inability to hire additional qualified personnel or to hire and retain personnel on commercially reasonable terms;
- failure to enhance our risk management capabilities, internal control capabilities and information technology systems in a timely manner to support the expansion of new products and businesses;

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- potential failure to obtain regulatory approvals for our new products or new businesses, or failure to timely respond to changes in legal or regulatory requirements; and
- imitation or replication of our new products and businesses by competitors.

Furthermore, we may encounter other risks and difficulties when expanding our new businesses through acquisitions and other forms. For details, see “— Our investments and acquisitions may not realize the expected benefits.”

Our business may be adversely affected if we fail to obtain government approvals or licenses for carrying out our operations and construction.

We are required to obtain certain licenses, permits (such as investment permits), registrations, certificates, approvals and filings for our global business operations as well as for new projects and project expansion. In addition, various completion inspections and acceptances may be required before we commence production at new manufacturing bases.

We must meet various specific conditions in order for the government authorities to issue or renew any such license, permit, registration, certificate, approval and filing, or complete necessary inspection and acceptance. We cannot guarantee that we will be able to timely adapt to new rules and regulations that may come into effect from time to time, which may affect our business operations, or that we will not encounter material delays or difficulties in fulfilling the necessary conditions to obtain and/or renew all necessary licenses, permits, registrations, certificates, approvals and filings for our operations in a timely manner, or at all, in the future. Therefore, in the event that we fail to obtain or renew, or encounter significant delays in obtaining or renewing, the necessary government approvals for any of our operations, we will not be able to continue with our relevant business development plans or production activities, and our business, financial condition and results of operations may be adversely affected.

We face potential operational and safety risks in our production.

We face various potential operational and safety risks in our production, including but not limited to: (i) social and labor unrest, environmental incidents or public health emergencies, (ii) natural disasters (such as fires, floods, earthquakes, typhoons and other disasters), (iii) disruption of utility supplies such as water, electricity, gas and telecom, (iv) production accidents or interruptions due to operational errors, equipment breakdowns or improper management, or (v) risks that may occur during the process of mining and refining of mineral resources. Such risks may result in damages to, or destruction of, manufacturing facilities, personal injury or death, environmental damages, economic loss and legal liabilities. The occurrence of any of these events could result in the interruption of our operations and cause us to suffer substantial losses or incur significant liabilities.

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Any interruption to our operations may result in our inability to design and manufacture products as required by our customers and our inability to fulfill customers' orders in a timely manner or at all. This may result in financial loss and damages to our reputation, which will adversely affect our business, results of operations, and financial condition.

Our investments and acquisitions may not realize the expected benefits.

We have made certain investments and acquisitions along the battery value chain. Such investments and acquisitions may involve certain risks and uncertainties, including but not limited to failure to achieve expected business objectives (such as expanding business, securing supply and acquiring technologies), unanticipated costs, inadequate return on investment and issues not discovered during the due diligence, which may adversely affect our business, results of operations and financial condition.

In addition, we may expand into new businesses through investments or acquisitions. Upon completion of such investment or acquisition, we may devote resources to support its business development or conduct business integration. These activities involve certain risks and uncertainties, and therefore there can be no assurance that we will be able to realize the expected benefits.

We rely on third parties to provide logistics and warehousing services for our business. If these third parties fail to provide reliable and timely services, our business, financial condition and results of operations may be adversely affected.

We face complex environments in relation to logistics and warehousing, and therefore we engage competent suppliers to provide related services. The operations of these suppliers may be affected by various factors such as improper management, equipment breakdowns, commercial disputes, labor shortages or strikes and natural disasters. If any of these suppliers fails to provide reliable and timely services, or the price of such services increases significantly, the supply of our products may be interrupted or our logistics or warehousing costs may increase. In addition, we may not be able to identify suitable alternative suppliers, which could adversely affect our business, financial condition and results of operations.

Our insurance coverage may not be sufficient to cover all losses, which may increase our costs of operation.

Our current insurances include, among others, property insurance, product liability insurance, environmental pollution liability insurance and cargo transportation insurance. We do not, however, carry insurance in respect of certain situations that we believe are not insurable under industry norm, or which are not on commercially acceptable terms, if at all, such as those caused by war, tsunami, various environmental pollution, acts of terrorism, labor strikes and civil unrest. Accordingly, there can be no assurance that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. Any damages to our properties, such as fixed assets and inventories, that are not covered by insurance may result in substantial

RISK FACTORS

losses for us. Nevertheless, we would remain obliged for any bank borrowings or other financial obligations related to these damaged properties. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be adversely affected.

RISKS RELATING TO FINANCIAL, ACCOUNTING AND TAX MATTERS

We may need additional capital, but we may not be able to obtain financing on favorable terms or at all.

We primarily relied on cash flow generated from operating activities and financing activities to fund our business operations during the Track Record Period. We believe that considering our current cash and cash equivalents, anticipated cash flow from operating activities and estimated net proceeds from the Global Offering, we have sufficient funds to meet our anticipated cash needs for the next 12 months. We may, however, require additional cash resources due to changed business conditions or other future developments, including any launch of new products and services, exploration of new businesses, expansion into new countries and regions, various R&D activities and marketing initiatives or investments we may decide to pursue. If we fail to obtain sufficient cash flow from operating activities, we may need to obtain additional equity or debt financing. If such financing is not available to us on satisfactory terms or in a timely manner, our ability to operate and expand our business or to respond to competition could be adversely affected. Moreover, if we raise additional capital by issuing shares or securities convertible into equity securities, the ownership of our existing Shareholders may be diluted. In addition, our indebtedness may subject us to relevant covenants that restrict our operations and our ability to effectuate certain corporate decisions for our business and will require interest and principal payments for relevant indebtedness that could create additional cash demands and financial risk for us.

Fluctuations in exchange rates may result in foreign currency exchange losses and may have a material adverse effect on your investment.

A substantial portion of our revenue and cost of sales is denominated in RMB. However, as we also operate a part of our business in certain countries and regions outside of mainland China, and have certain debts and cash denominated in foreign currencies, we are exposed to risks associated with foreign currency exchange fluctuations.

Changes in the foreign exchange rates could affect the results of our overseas operations. Our revenue from overseas sales amounted to RMB76.9 billion, RMB131.0 billion and RMB110.3 billion in 2022, 2023 and 2024, respectively, accounting for 23.4%, 32.7% and 30.5% of our total revenue for the same years, respectively. Certain of our income from overseas sales is denominated in foreign currencies such as USD and EUR. In managing the foreign exchange risks, we implement natural hedges and certain hedging instruments. We decide to utilize certain hedging instruments, such as leveraging foreign exchange risk contracts during the Track Record Period, depending on the nature of the transaction and

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financial market conditions to manage the associated foreign exchange risks, after conducting a detailed assessment. As of December 31, 2022, 2023 and 2024, our derivative financial instruments recorded as current assets amounted to RMB0.6 billion, nil and nil, respectively. As of the same dates, our derivative financial instruments recorded as current liabilities amounted to nil, RMB3.9 billion and RMB2.1 billion, respectively. We may maintain or further enhance our hedging policies in the future. However, the effectiveness of these hedging measures may be limited, and we may not be able to adequately cover our foreign exchange exposure or at all.

It is difficult for us to predict how external factors may impact the exchange rate of RMB to USD, EUR or other foreign currencies in the future. Further appreciation of RMB against foreign currencies may affect our overseas operations. On the other hand, if we decide to convert our RMB into Hong Kong dollars for dividends payment on our H Shares or for other business purposes, any depreciation of RMB against the Hong Kong dollar would have a negative effect on the value of, and any dividends payable on, our H Shares.

Failure to maintain optimal inventory levels could increase our inventory holding costs or negatively impact our sales.

Our inventories primarily include finished goods, work-in-progress and raw materials. As of December 31, 2022, 2023 and 2024, the balances of our inventories amounted to RMB76.7 billion, RMB45.4 billion and RMB59.8 billion, respectively. Our inventory turnover days were 78.8 days, 68.8 days and 70.2 days in 2022, 2023 and 2024, respectively. However, we may not be able to effectively manage our inventory level or to identify any excessive build-up or insufficient stock of inventory in our global operations. We may misjudge market demand. Inventory levels in excess of customer demand may result in inventory write-downs or write-offs, and the sale of excess inventory at discounted prices could impair the image of our brands and harm our gross margin; but if we underestimate the demand for our products, insufficient stock could result in delays in the shipment of our products, thereby impacting our ability to generate sales and cause damages to our reputation and relationships with our customers. Therefore, failure to maintain optimal inventory levels could increase our inventory holding costs or cause us to lose sales, either of which could adversely impact our business, financial condition and results of operations.

We are subject to credit risk in collecting trade and bills receivables due from customers.

We generally grant a credit period within 60 days to our major customers. As of December 31, 2022, 2023 and 2024, the balances of our trade and bills receivables amounted to RMB61.5 billion, RMB65.8 billion and RMB64.3 billion, respectively. Our trade and bills receivables turnover days were 48.2 days, 57.9 days and 65.6 days in 2022, 2023 and 2024, respectively. There is no assurance that all such amounts will be settled on time or at all, and we are subject to credit risk in collecting the trade and bills receivables due from the customers. Our performance, liquidity and profitability may be adversely affected if amounts due to us are not settled on time or at all. The bankruptcy or deterioration of the credit condition of any of our major customers could also materially and adversely affect our business.

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We may record impairments of non-financial assets (other than contract assets).

We may record impairments of non-financial assets (other than contract assets), which may adversely affect our financial condition and results of operations. Goodwill, intangible assets with indefinite useful life and intangible assets with those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable. We measure impairment by comparing the carrying value of the asset to the recoverable amount of such asset, which is the greater of the fair value less costs of disposal and the value in use. If the recoverable amount is less than the carrying amount of such asset, we recognize an impairment loss based on the recoverable amount of such asset. The application of impairment test to our non-financial assets also requires management judgment regarding such assets.

We have investments in associates and joint ventures, and our financial condition and results of operations may be affected by the fluctuation of share of results of such investments.

During the Track Record Period, we invested in certain associates and joint ventures, which were accounted for using the equity method. As of December 31, 2022, 2023 and 2024, the balances of our investments in associates and joint ventures were RMB17.6 billion, RMB50.0 billion and RMB54.8 billion, respectively.

Our equity investments may be subject to a variety of risks that are beyond our control, including but not limited to the risks that (i) the investee company incurs liabilities and expenses in excess of expectations and relevant negative matters that we fail to identify in our due diligence; (ii) the investee company is making a loss; (iii) the investee company fails to meet the conditions under which it may declare and pay dividends; or (iv) other shareholders of these associates and joint ventures have economic or business objectives that are inconsistent with ours, suffers financial difficulties, or is unable or unwilling to fulfill its obligations under the investment contract. If any of these events occur, our business, financial condition and results of operations may be adversely affected.

We are subject to liquidity risk associated with investments in associates and joint ventures, especially when no dividends are declared by such parties and investments in these vehicles not as liquid as other investment products. Large investment in an associate or a joint venture would require significant financial resources, resulting in significant cash outflow, increased debt financing, or both. As such, we may not be able to readily generate any cash flow from our investment in associates and joint ventures to fund our operations from time to time, or at all.

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We are exposed to changes in the fair value of our financial assets measured at fair value. Fluctuations in their values would affect our results of operations and financial condition.

As of December 31, 2022, 2023 and 2024, we recorded financial assets measured at fair value through profit or loss (“FVTPL”) of RMB4.6 billion, RMB2.8 billion and RMB17.4 billion, respectively. As of the same date, we recorded financial assets measured at fair value through other comprehensive income (“FVTOCI”) of RMB39.5 billion, RMB69.4 billion and RMB65.2 billion, respectively. Fair values of financial assets at FVTPL and financial assets at FVTOCI are determined based on quoted prices in active markets, other market-observable inputs, or unobservable inputs using valuation techniques. For details, see Note 21 and Note 22 to the Accountants’ Report as set out in Appendix I to this prospectus.

For financial assets measured at FVTPL and FVTOCI, factors beyond our control can significantly influence and cause adverse changes to the market-observable inputs that we use and thereby affect the fair value of such financial assets. These factors include, but are not limited to, general economic condition, changes in market interest rates, stability of the capital markets, shifts in our creditworthiness and other market-driven variables. Any of factors could cause the fair values to fluctuate or our estimates to vary from actual results, which could materially and adversely affect our results of operation and financial condition. Additionally, judgment and estimation are required in establishing the relevant valuation techniques where market-observable data for certain financial assets are not readily available, which inherently involves a certain degree of uncertainty. Changes in assumptions relating to our valuation could result in material adjustments to the fair value of such financial assets, which may have a material adverse effect on our financial position and results of operations.

Our interest-bearing indebtedness exposes us to interest rate risk in relation to our floating-rate debt, and our level of indebtedness may prevent us from meeting relevant obligations under our indebtedness, which may adversely affect our ability to raise additional capital to fund our operations.

During the Track Record Period, we had certain borrowings to finance our business operations and capital expenditures. We expect that we may continue to do so in the future and our liquidity risk may increase. As of December 31, 2022, 2023 and 2024, our borrowings amounted to RMB100.9 billion, RMB126.1 billion and RMB137.0 billion, respectively. As of the same dates, the borrowings bore an effective interest rate from 0.65% to 6.25%, 1.20% to 6.33% and 1.74% to 5.48% per annum, respectively.

We are exposed to interest rate risk resulting from interest rate fluctuations. Rising interest rates could increase interest expenses relating to our outstanding floating-rate borrowings, which could materially and adversely affect our business, results of operations, financial condition and prospects.

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We cannot assure you that we will not have a substantial amount of borrowings in the future. The high amount of borrowings may (i) make it more difficult for us to fulfill our obligations under relevant indebtedness, exposing us to the risk of default, which, in turn, would negatively affect our ability to operate as a going concern; (ii) require us to allocate a higher portion of our cash flow from operations to fund repayments of principal and interest on our borrowings, thus reducing the availability of our cash flow for other purposes (such as working capital, capital expenditure and other corporate purposes); (iii) expose us to higher pressure under adverse economic or industry conditions; (iv) limit our flexibility in planning for strategic targets, or reacting to changes in our business or in the industry in which we operate; (v) potentially restrict us from pursuing potential strategic business opportunities; (vi) limit our ability to borrow additional funds; (vii) increase our exposure to interest rate fluctuations; (viii) increase our exposure to unpredictable adverse events, such as not having enough cash to cover potential product liability and/or expenses for upgrading technologies or equipment requirement for our production; and (ix) limit our finance budget, each of which will materially and adversely impact our business, results of operations and financial condition.

As a result of the covenants and restrictions, our business may be limited, and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. A breach of any of the restrictive covenants could result in a default with respect to the related indebtedness. If a default occurs, the relevant lenders could demand immediate payment. This, in turn, could cause cross-default or payment acceleration of our other debts. In the event that some or all of our debt payments are accelerated and become immediately due and payable, we may not have the funds to repay, or the ability to refinance, such debt.

Failure to fulfil our obligations in respect of contract liabilities could materially and adversely affect our results of operation, liquidity and financial position.

Our contract liabilities are recognized when payment from a customer is received or is due (whichever is earlier) before we transfer the related goods or services. As of December 31, 2022, 2023 and 2024, we had contract liabilities of RMB29.4 billion, RMB30.1 billion and RMB33.2 billion, respectively. If we are not able to fulfil our obligations with respect to our contract liabilities, the amount of such contract liabilities will not be recognized as revenue. As a result, our results of operations, liquidity and financial position may be materially and adversely affected.

RISK FACTORS

RISKS RELATING TO OUR OPERATIONS

If our current and future infrastructure, internal systems, operational processes, and control measures are unable to support our continuous business expansion, our business and prospects may be materially and adversely affected.

Our business has been growing in recent years, so has the scope of our business and number of employees. As we expand our product portfolio, customer base and geographical coverage, we will need to work with a larger number of suppliers and partners efficiently. We also need to continuously enhance and upgrade our infrastructure and technology, optimize our supplier management, refine our reporting systems and operational procedures, expand our employee base, train and incentivize our employees, and improve our internal control. All these efforts will require significant managerial, financial and human resources. We cannot assure you that such efforts will be successful. We cannot assure you that our current and future infrastructure, internal systems, operational procedures and internal control measures will be adequate and successful to support our expanding business or that our strategies and new business initiatives will be executed successfully. In addition, changes and developments taking place in industries that we operate in may also require us to re-evaluate our business model and adopt material changes to our long-term strategies and business plans. Our failure to adapt to these changes and developments and innovate may have a material adverse effect on our business, financial condition and results of operations. Even if we adapt to these changes and developments and innovate, we may nevertheless fail to realize the anticipated benefits of changes due to these measures, or our profitability may be harmed as a result.

Our success relies largely on the continued service of our senior management and key technical personnel. Any loss of key personnel may materially and adversely affect our business, financial condition and results of operations.

Management and R&D capabilities are one of the key factors for our business development and competitive advantages. Our sustainable growth relies heavily on our ability to maintain a highly skilled senior management and technical team. We place great emphasis on cultivating and recruiting management and technical talent to ensure effective coordination and successful implementation of our management and R&D activities. To maintain the motivation and stability of our core management and technical personnel, we have established incentive schemes that encourage technical innovation, effectively ensuring the stability of our R&D system and continuous improvement of our R&D capabilities. However, due to intense competition for talent, we may face risks of losing core management and technical personnel.

RISK FACTORS

Any litigation, legal and contractual disputes, claims or administrative proceedings against us could be costly and time-consuming to defend or settle, and could adversely affect our reputation.

Our business is subject to the risk of disputes, claims or legal proceedings brought by customers, suppliers, employees, government agencies and others in the forms of private actions, administrative proceedings, regulatory actions or other litigation. The outcome of such proceedings can be difficult to assess.

Claimants in such proceedings may seek recovery of large or indeterminate amounts, and the magnitude of potential losses relating to such disputes may remain unknown for a substantial period of time. The cost of defending future disputes or proceedings may be significant and could negatively affect our results of operations if changes to our business operations are required as a result of such disputes or proceedings. Such disputes or proceedings could also adversely affect our reputation, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, any significant dispute or proceeding could adversely affect our business, results of operations, financial condition or reputation.

We face risks in relation to the buildup of our production capacity.

Our future success and growth potential are dependent on our ability to effectively manage our production capacity and successfully implement our production capacity construction plan. However, there is no assurance that such construction plan will be successfully implemented as scheduled or will be commercially successful. Our production capacity construction plan may also be subject to interruptions caused by risks commonly associated with large construction projects, such as insufficiency of capital, failure to obtain requisite approvals from regulatory authorities, adverse weather conditions, natural disasters, accidents and unforeseen circumstances and problems, and other factors beyond our control. As such, we may not be able to achieve the planned production capacity construction on time.

We may be the subject of unfair competition, harassing, or other detrimental conduct by third parties including complaints to regulatory authorities, negative social media postings, and the public dissemination of malicious statements related to us that could harm our reputation and cause us to lose market share, customers and revenue.

We may be the subject of unfair competition, harassing, or other detrimental conduct by third parties. Such conduct includes complaints to regulatory authorities, negative social media postings, and malicious assessments against us. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to spend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time. Additionally, allegations against us, may be disseminated by anyone, whether or not

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related to us. Social media often publish such content without verifying the accuracy of the content posted and without affording us an opportunity for redress or correction. The occurrence of any of these events may harm our reputation, and in turn may cause us to lose customers and revenue.

We may not be able to detect and prevent fraud or other misconduct committed by our employees, customers, suppliers or third parties.

We may be exposed to fraud or other misconduct committed by our employees, customers, suppliers or third parties that could affect our reputation and subject us to litigation, financial losses and penalties imposed by governmental authorities. Such misconduct could include:

- concealing unauthorized or unlawful activities, such as money laundering, offering bribes to, or receiving bribes from counterparties in return for any type of benefit or gain;
- intentionally concealing material facts or failing to perform necessary due diligence procedures, and failing to identify potential risks that are material to our business decisions;
- improperly using or disclosing confidential information;
- misappropriating funds;
- conducting transactions that exceed authorized limits;
- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities;
- engaging in unauthorized transactions to the detriment of our customers; or
- otherwise failing to comply with applicable laws or our internal policies and procedures.

Our internal control procedures are designed to monitor our operations and ensure overall compliance. However, such internal control procedures may be unable to identify all instances of non-compliance or suspicious transactions in a timely manner, or at all. Furthermore, the precautions we take to detect and prevent fraud and other misconduct may not be effective. There is no assurance that we will not be involved in fraud or other misconduct in the future. If such fraud or other misconduct does occur, it may adversely affect our reputation.

RISK FACTORS

Policies and regulations affecting, among other things, international trade and investment may adversely affect our business and results of operations.

We have operations in a number of jurisdictions. Therefore, we must be in compliance with government policies affecting international trade and investment, including but not limited to investment controls and restrictions, capital regulations, economic or trade sanctions, import and export regulations, tariffs or foreign investment filings and approvals. These policies change from time to time and are subject to a high degree of uncertainty. For example, we face risks associated with changes in trade policies or tariff regulations. Recently, the U.S. government has been rolling out a series of tariffs and relevant new policies, affecting various countries or regions as well as industries. In particular, on September 13, 2024, the Office of the United State Trade Representative announced a plan to raise the additional tariff rate applicable to U.S. imports of lithium-ion EV batteries and lithium-ion non-EV batteries from China, pursuant to Section 301 of the Trade Act of 1974, to 25%, effective from September 27, 2024 and January 1, 2026, respectively. Starting from March 4, 2025, the additional tariffs on imports from China imposed by the U.S. government has been raised to 20%. On March 26, 2025, the U.S. government announced to impose a 25% tariff on automobiles and certain automobile parts imported from all countries pursuant to authority granted by Section 232 of the Trade Expansion Act of 1962. In April 2025, the U.S. announced new reciprocal tariffs on all imports into the United States and made several subsequent modifications. The aforementioned tariff policies have been rapidly evolving. In recent years, the contribution of our revenue generated from products that were directly exported to the U.S. from China were relatively limited, however we cannot predict how tariff policies in various countries may further evolve or anticipate any potential impacts of subsequent developments in such policies on our business. If we, our customers or other partners are therefore affected, our business, financial condition, results of operations and financing capability may be affected.

We noted that the U.S. Department of Defense (“DoD”) included our Company in the list of Chinese Military Companies on January 7, 2025. We made a public response on the same day. We have never engaged in any military-related businesses or activities, therefore such designation by the DoD is a mistake. It does not restrict us from conducting business with entities other than a small number of U.S. governmental authorities, thus is expected to have no substantial adverse impact on our business. We are proactively engaging with DoD to address the false designation. We cannot guarantee that such attempts will be successful or that the relevant government agencies will not take any further actions. We may be subject to such actions, which may have a material adverse effect on our business and results of operations.

RISK FACTORS

Our compliance and risk management systems may not be sufficient to protect us from credit, market, liquidity, operation and other risks.

Given our global business operations, we must comply with a broad range of legal and regulatory requirements in multiple jurisdictions and local operational business processes. We have established compliance and risk management systems that support our operational business processes to comply with laws and regulations. However, there can be no assurance that our compliance and risk management systems are adequate to address all applicable risks in every jurisdiction. Similarly, we can provide no assurance that such internal controls and systems of joint ventures and other business partners can be aligned with our own, and we may have to rely on their internal controls and systems for the compliance of their business practices.

In addition, the policies we have put in place to prevent direct or indirect acts of corruption, bribery, anti-competitive behavior, money laundering, breaches of sanctions, fraud, deception, tax evasion and other criminal or improper conduct may be insufficient to prevent such non-compliance.

The occurrence of any of these risks may result in reputational damages and material adverse legal consequences, including without limited to suspension or revocation of our relevant licenses related to business operation, revocation of qualifications of our management or employees, the imposition of fines or sanctions and penalties on us or the members of our management or employees and could lead to the assertion of damages claims by third parties or to other detrimental legal consequences, including civil and criminal penalties. If any of these risks were to materialize, this could also have a material adverse effect on our business, financial condition and results of operations, reputation or prospects.

Our operations rely on IT systems and networks, and any IT system failures, network disruptions or cybersecurity breaches may affect our business.

We rely extensively on IT systems, some of which are supported by third-party vendors, to manage and operate our business. If these systems malfunction, cease or experience interruptions in normal operations, experience security breaches or do not provide the anticipated benefits, our ability to manage our operations could be impaired, which could have an adverse impact on our operations and financial condition. If the software installed on the computers used by us and our employees is not properly authorized or licensed, we may be subject to claims or litigations from software vendors. We may be subject to IT system failures or network disruptions caused by natural disasters, accidents, power disruptions, telecom failures, acts of terrorism or war, computer viruses, physical or electronic break-ins or other events. We have business continuity and disaster recovery ability, which may not be sufficient for managing operational disruptions resulting from circumstances beyond our control.

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Our IT systems may be subject to computer viruses, malicious codes, unauthorized access, phishing and other cyberattacks. We continue to assess potential threats and adopt proper measures to address these threats. However, because the techniques used in these cyberattacks change frequently and may be difficult to detect for periods of time, we may face difficulties in implementing adequate preventative measures. To date, we have seen no material impact on our business or operations from these attacks. However, we cannot guarantee that our efforts will prevent attacks or breakdowns to our or our third-party providers' databases or systems. If the IT systems, networks or service providers we rely upon fail to function properly and we do not effectively address these failures on a timely basis, we may be exposed to business harm as well as litigation and regulatory action, including administrative fines, which could adversely affect our business and financial condition.

We are subject to risks relating to some of the properties we use.

We lease certain properties primarily to be used for warehousing. We may not be able to extend or renew such leases on commercially reasonable terms, or at all. This could disrupt our operations and result in significant relocation expenses. We may not be able to locate desirable alternative sites for warehousing.

Under laws and regulations in mainland China, all lease agreements are required to be registered with the local housing authorities. As of December 31, 2024, we had not completed such registration for certain of the lease agreements for the leased properties that we held. Although failure to do so does not in itself invalidate the leases, the lessees may not be able to defend these leases against bona fide third parties and may also be exposed to potential fines if they fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant government authorities in mainland China. The fine ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. We cannot assure you that the lessors will cooperate and complete the registration in a timely manner once we are required to do so. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors.

We may suffer losses caused by the occurrence of extraordinary events, including natural disasters or outbreaks of contagious diseases.

Our business may be adversely affected by the occurrence of typhoons, severe storms, earthquakes, floods, fires or other natural disasters or similar events especially in the areas where we operate. In addition, any outbreak of a contagious disease, such as severe acute respiratory syndrome (SARS), Middle East respiratory syndrome, avian influenza or novel coronavirus disease (COVID-19), could disrupt our operations with respect to our global supply chain, production, delivery and sales. Such events could decrease the demand for our products, impact the productivity of our workforce, make it difficult or impossible for us to manufacture and deliver products to our customers in a timely manner, or to receive materials and equipment from our suppliers. Should major public health emergencies, including pandemics, arise, we could be adversely affected by more stringent employee travel restrictions, additional requirements in freight, relevant policies affecting the movement of

RISK FACTORS

products between regions, delays in the ramp-up of the production capacity and disruptions in the operations of our suppliers. In the event of a natural disaster, we could incur significant losses, which could require substantial recovery time and result in significant expenditures in order to resume operations.

Differences embedded in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

The legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

The legal systems of some geographic markets where we operate are consistently evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses still needs further clarification. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards, which may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims.

Furthermore, many of the legal systems in the geographic markets where we operate are based in part on their respective government policies and internal interpretations, some of which may have retroactive effects. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention depending on the complexity of the cases.

Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Developments in current laws or regulations or the imposition of new laws and regulations in our geographic markets may affect the growth of our industries and affect our business, financial condition and results of operations.

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RISKS RELATING TO GOVERNMENT REGULATIONS

Developments in social and economic policies, as well as the interpretation and enforcement of laws, rules and regulations, may affect our business, financial condition, results of operations and prospects.

We operate in the PRC and some overseas regions and therefore our business, financial condition, results of operations and prospects may be affected by local economic, social and legal policies. We cannot guarantee that our business operations will be able to benefit from such measures. In addition, laws, rules and regulations may also be amended from time to time, and the application, interpretation and enforcement of such evolving laws, rules and regulations may affect our business operations. Any of the foregoing may have a material and adverse effect on our business, financial condition, results of operations and prospects.

We are subject to various laws, regulations and regulatory standards and any inability to comply with such requirements and standards may subject us to liabilities.

We are subject to various laws and regulations in the PRC and other jurisdictions in which we operate and are required to comply with all relevant requirements and standards.

For example, we are required to contribute to a number of social insurance funds, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund on behalf of our employees in mainland China. According to the Regulation on the Administration of Housing Provident Funds (《住房公積金管理條例》), a mainland China enterprise is required to set up housing provident fund accounts and pay the housing provident fund in time and in full for its employees. According to the PRC Social Insurance Law (《中華人民共和國社會保險法》), a mainland China enterprise is required to complete social insurance registration for its employees and to pay the social insurance contributions in time and in full. Although we had not been subject to any administrative penalties in connection with our contribution of social insurance plans and housing provident fund during the Track Record Period, there is no assurance that our historical and current practice with respect to the contribution of social insurance plans and housing provident fund will at all times satisfy the government authorities in mainland China mainly due to the evolving interpretation and implementation of these laws and regulations. In the event of any such non-compliance, we may be required to pay any shortfall in the contribution of social insurance plans and housing provident fund within a prescribed time period and to pay penalties if we fail to do so. In addition to the above, if we fail to comply with any other relevant labor laws and regulations in mainland China, we may be exposed to penalties or be required to compensate employees.

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Given the magnitude, complexity and continuous amendments to these laws and regulations, compliance therewith may be onerous and may involve substantial financial resources as well as other resources to establish efficient compliance and monitoring systems. The liabilities, costs, obligations and requirements associated with these laws and regulations may therefore be substantial and may delay the commencement of, or cause interruptions to, our operations. Non-compliance with the laws and regulations applicable to our operations may even result in substantial penalties or fines, suspension or revocation of our relevant licenses, among other things. Such events could impact our results of operations and financial condition.

We are exposed to risks in relation to work safety and occurrence of accidents as well as other operational, transportation-related, occupational and environmentally related risks, which could materially and adversely affect our business, financial condition and results of operations.

Our business and production are subject to various risks, including operational and transportation-related risks and occupational and environmental hazards. We must comply with the extensive environmental, handling of hazardous substances, chemical manufacturing, health and safety laws and regulations and stringent standards in relation to the manufacturing and sale of battery products which are promulgated by the government authorities in mainland China. According to these laws and regulations, we are required to maintain safe production conditions and protect the occupational health of our employees. We may experience various types of difficulties in connection with the manufacturing of our products. Some of our raw materials and chemicals are hazardous and their storage and use in the manufacturing process involve inherent risks including the leakage of flammable substances, toxic gases and liquids, equipment failures, industrial accidents, fires and explosions. Accidents, if they occur, could materially affect our production and may give rise to personal injuries and fatalities, damages to or destruction of properties or manufacturing facilities, and pollution and other environmental damages. Any of these consequences, if significant, could result in business interruption, legal liability and damages to our reputation and corporate image. While we conduct regular inspections of the facilities we operate and conduct regular equipment maintenance to ensure that our operations comply with applicable laws and regulations, we cannot assure you that we will not experience any major accidents or work-related injuries in our future production processes.

Our operations may also be subject to difficulties related to the manufacturing such as capacity constraints, mechanical and systems failures, construction and upgrade delays and equipment delivery delays, any of which could cause suspension of production and reduced output. Scheduled and unscheduled maintenance programs may also affect our manufacturing output. Any significant production suspension or reduction could adversely affect our ability to produce and sell our products, which could have a material adverse effect on our business, financial condition and results of operations.

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Our business is subject to a variety of laws, rules, policies and other obligations regarding data protection domestically and abroad. Any losses or unauthorized access to or unauthorized releases of confidential information and personal data could subject us to significant reputational, financial, legal and operational consequences.

Our business involves the utilization and storage of confidential information, including but not limited to personal information with respect to our employees. We are subject to laws relating to the collection, use, retention, protection and transfer of personal information domestically and abroad. In many cases, these laws apply not only to third-party transactions, but also may restrict transfers of personal information between us and our overseas subsidiaries. Several jurisdictions have passed laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may vary from jurisdiction to jurisdiction. Complying with emerging and changing overseas requirements may cause us to incur substantial costs or require us to change our business practices. Non-compliance could result in significant penalties or legal liability. Any failure by us to comply with other domestic and foreign privacy-related or data protection laws and regulations could result in proceedings against us by governmental entities or others, which may lead to reputational impacts and significant legal liabilities.

We have implemented systems and processes intended to secure our information technology systems and prevent unauthorized access to or loss of sensitive data, including through the use of encryption and authentication technologies. As with all companies, these security measures may not be sufficient for all eventualities and may be vulnerable to hacking, employee error, malfeasance, system error, faulty password management or other non-compliant incidents.

We are subject to certain regulatory requirements over foreign currency conversion and remittance.

We receive a majority of payments from our operations in mainland China in RMB and may need to convert certain Renminbi into other currencies for payment of dividends, if any, to holders of our Shares, and to fund our business activities outside of mainland China, among other things. The convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of mainland China are subject to related regulatory requirements. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to pay dividends or other payments, or otherwise fulfill our foreign currency denominated obligations.

Under current foreign exchange regulations of mainland China, payment of current account items, including profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE or its local branches, through licensed banks for foreign exchange business, by complying with certain procedural requirements. If we cannot fulfill the regulatory requirements over foreign currency conversion to obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders.

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However, prior registration and other procedures with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of mainland China to pay capital expenses. Further, there is no assurance that new regulations will not be promulgated in the future that would have further requirements on the remittance of Renminbi into or out of mainland China. Any existing and future requirements on currency exchange may limit our ability to purchase raw materials and components outside of mainland China or otherwise fund any future business activities that are conducted in foreign currencies.

Non-PRC resident holders of our H Shares may be subject to mainland China income tax obligations.

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the mainland China and a non-mainland China investor's jurisdiction of residence that provides for a different income tax arrangement, mainland China withholding tax at the rate of 10% is normally applicable to dividends from mainland China sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in mainland China, or which have an establishment or place of business in mainland China if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% mainland China income tax rate if such gains are regarded as income from sources within mainland China unless a treaty or similar arrangement provides otherwise.

Under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within mainland China paid to foreign individual investors who are not PRC resident individuals are generally subject to a withholding tax at a rate of 20% and gains from mainland China sources realized by such investors on the transfer of shares are generally subject to a 20% income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and laws in mainland China. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of mainland China at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between mainland China and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with mainland China are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income

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Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision had not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges.

If mainland China income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-mainland China resident investors, the value of your investment in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with mainland China may not qualify for benefits under such tax treaties or arrangements.

Our offshore subsidiaries may be treated as a resident enterprise for PRC tax purposes.

Under the EIT Law and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), enterprises established under the laws of jurisdictions outside of mainland China with “de facto management bodies” located in mainland China may be considered PRC resident enterprises for tax purposes and may be subject to the PRC EIT at the rate of 25% on their global income. In addition, the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Resident Enterprises on the Basis of De Facto Management Bodies (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) (Guo Shui Fa [2009] No. 82) (the “**Circular 82**”), specifies that certain Chinese-controlled offshore incorporated enterprises, defined as enterprises incorporated by enterprises or enterprise groups within mainland China as major controlling shareholders under the laws of foreign countries (regions) will be classified as resident enterprises if all of the following conditions are met: (i) senior management personnel and departments that are responsible for daily production, operation and management are located mainly within mainland China; (ii) financial and personnel decisions are subject to determination or approval by bodies or persons in mainland China; (iii) primary properties, accounting books, company seal, and minutes of board meetings and shareholders' meetings are located or kept within mainland China; and (iv) at least half of the directors with voting rights or senior management reside within mainland China. The SAT has subsequently provided further guidance on the implementation of Circular 82.

As our Company is a PRC enterprise, our offshore subsidiaries may be questioned by the competent regulatory authorities, and if our offshore subsidiaries are deemed PRC resident enterprises, the competent regulatory authorities may request EIT at 25% on such our offshore subsidiaries' global income, except that the dividends they receive from our mainland China

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subsidiaries, if any, may be exempt from the EIT to the extent such dividend income constitutes “dividends received by a PRC resident enterprise from its directly invested entity that is also a PRC resident enterprise.” Nonetheless, it remains subject to future interpretation as to what type of enterprise would be deemed a “PRC resident enterprise” for such purposes. The EIT on our subsidiaries’ global income could significantly increase our tax burden and affect our cash flows and profitability.

We could be subject to changes in our tax rates, the adoption of new tax legislation or exposure to additional tax liabilities.

The EIT Law imposes a tax rate of 25% on business enterprises. Our Company and some of our subsidiaries are entitled to preferential tax treatment. For example, our Company and several of our subsidiaries in mainland China have been qualified as high-tech enterprises or engaged in policy-encouraged businesses, accordingly, they were entitled to a preferential income tax rate of 15% during the Track Record Period. For details, see “Financial Information — Description of Selected Consolidated Statements of Profit or Loss — Income Tax Expenses.” To the extent there are any changes in the laws and regulations governing preferential tax treatment or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC government may amend or restate regulations on income, withholding, value-added, and other taxes. Non-compliance with the tax laws and regulations in mainland China may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to tax laws and regulations in mainland China and tax penalties or fines could affect our businesses, financial condition and results of operations.

We also operate in countries and regions overseas and are subject to various taxes. Due to the fact that the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, including but not limited to corporate income tax, are complex, our overseas operations may expose us to risks associated with the overseas tax policy changes. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. Dealing with such regulatory complexities and changes may require us to invest more managerial and financial resources, which in turn could affect our results of operations.

We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental authorities. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, or if the ultimate determination of our taxes payable is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

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You may experience difficulties in effecting service of process upon or enforcing foreign judgments against us or our Directors or senior management.

Most of our assets are situated in the PRC. In addition, most of our Directors and senior management reside in the PRC, and are PRC citizens. As cross-border service of process is typically cumbersome and time-consuming, it may be difficult for investors outside of mainland China to effect service of process upon us or our management residing in mainland China. As mainland China does not have any treaties or other forms of written arrangement with the United States that provide for the reciprocal recognition and enforcement of foreign judgments, you may fail to enforce in courts in mainland China the judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us or our Directors or senior management.

On January 18, 2019, the Supreme People's Court and the Hong Kong Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “**Arrangement**”), which came into effect on January 29, 2024 and seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the mainland China. The Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. After the Arrangement became effective, a judgment rendered by a Hong Kong court can generally be recognized and enforced in the mainland China even if the parties in the dispute do not enter into a choice of court agreement in writing. However, we cannot guarantee that all judgments made by Hong Kong courts will be recognized and enforced in the mainland China, as whether a specific judgment will be recognized and enforced is still subject to a case-by-case examination by the relevant court in accordance with the Arrangement.

RISKS RELATING TO THE GLOBAL OFFERING

We will be concurrently subject to listing and regulatory requirements of mainland China and Hong Kong.

As our A Shares are listed on the ChiNext of the Shenzhen Stock Exchange and our H Shares will be listed on the Main Board of the Stock Exchange, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

The characteristics of the A share and H share markets may differ.

Our A Shares are listed and traded on the ChiNext of the Shenzhen Stock Exchange. Following the Global Offering, our A Shares will continue to be traded on the ChiNext of the Shenzhen Stock Exchange and our H Shares will be traded on the Main Board of the Stock

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Exchange. Under current laws and regulations of China, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no direct trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have different trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the investment decision in our H Shares.

There has been no prior public market for our H Shares, and an active trading market for our H Shares may not develop or be sustained.

Prior to the Global Offering, there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the Global Offering. In addition, the Offer Price of our H Shares is the result of negotiations between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us, and may not be an indication of the market price at which our H Shares will be traded following the completion of the Global Offering. If an active public market for our H Shares does not develop following the completion of the Global Offering, the market price and liquidity of our H Shares may be materially and adversely affected.

The price and trading volume of our H Shares may be volatile, which could lead to substantial losses to investors.

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the price and trading volume of our H Shares. In addition to market and industry factors, the price and trading volume of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, relationships with our business partners, movements or activities of key personnel, actions taken by competitors or regulatory developments. Moreover, shares of other companies listed on the Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our business performance.

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Future sales or perceived sales of our H Shares in the public market could have a material adverse effect on the market price of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.

The market price of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be negatively impacted as a result of future sales of our H Shares or other securities relating to our H Shares in the public market by our Shareholders, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. Furthermore, we may issue shares pursuant to any existing or future share option incentive schemes, which would further dilute our Shareholders' interests in our Company. New shares or equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the market price of our H Shares.

In addition, while investors subscribing shares in the Global Offering are not subject to any restrictions on the disposal of the H Shares they subscribed, they may have existing arrangements or agreement to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the Global Offering for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the Listing Date. Any sale of the H Shares subscribed by such investors pursuant to such arrangement or agreement could adversely affect the market price of our H Shares and any sizeable sale could have a material and adverse effect on the market price of our H Shares and could cause substantial volatility in the trading volume of our H Shares.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

We have declared dividends in the past. However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of mainland China, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under the IFRSs. The declaration, payment and amount of any future dividends are subject to the discretion of our Board of Directors, after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Board of Directors may deem relevant, and subject to the approval at Shareholders' meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of mainland China. For details, see "Financial Information — Dividends." No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

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We are exposed to risks associated with the potential spin-off.

We periodically evaluate strategic opportunities to enhance shareholder value, including, among others, spinning off subsidiaries, in light of our operations across multiple jurisdictions and markets, as well as our development of new business initiatives. These evaluations are contingent upon factors such as market conditions, financing requirements, subsidiary development and regulatory approvals. While no concrete plans have been formulated, we cannot preclude the possibility of spin-offs within three years of the Listing should such action align with our strategic objectives. Also, given our long-standing listing on the A-share market since 2018, we need to maintain flexibility for potential spin-offs within three years of the Listing, which may require further waiver to be applied to and granted by the Stock Exchange.

A spin-off may enable our subsidiaries to directly access capital markets, thereby potentially securing incremental funding to accelerate their growth. While such transactions are designed to unlock intrinsic value, enhance competitive positioning and optimize operational efficiency, there is no assurance that these objectives will be achieved in full. Material risks associated with spin-offs may still include unanticipated costs (such as separation-related expenditures or restructuring costs, if any), operational complexities arising from organizational decoupling, potential disruption to the Group's integrated business model and synergies and uncertain performance trajectories of spun-off entities, including their ability to sustain competitive positions. Should spun-off entities encounter operational challenges or financial difficulties, it may have adverse impact on our Group's strategic objectives and corporate reputation. In the event of any proposed spin-off, we will ensure to provide full disclosure to the Shareholders and obtain all necessary regulatory and Shareholder approvals under applicable rules and regulation. We will also implement appropriate strategies and measures to mitigate risks so as to maintain operational cohesion and preserve strategic continuity across the organization.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the ChiNext of the Shenzhen Stock Exchange.

As our A Shares are listed on the ChiNext of the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in mainland China. As a result, from time to time, we publicly release information relating to us on the Shenzhen Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in mainland China, which are different from those applicable to the Global Offering. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this prospectus. As a result, prospective investors in our H Shares should be reminded that, in making their investment decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information

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included in this prospectus. By applying to purchase our H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus and any formal announcements made by us in Hong Kong with respect to the Global Offering.

You should read the entire prospectus carefully and only rely on the information included in this prospectus to make your investment decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our Shares or the Global Offering.

We strongly caution our investors not to rely on any information contained in press articles or other media coverage relating to us, our Shares and the Global Offering. Prior to the publication of this prospectus, there may be press and media coverage regarding the Global Offering and us. Such press and media coverage may include references to certain information that does not appear in this prospectus, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for it and our investors should not rely on such information.

Certain facts, forecast and other statistics in this prospectus obtained from publicly available sources have not been independently verified and may not be reliable.

Certain facts, forecast and other statistics in this prospectus are derived from various government, official sources and public information. However, our Directors cannot guarantee the reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and presenting such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from government and official sources have not been independently verified by us, the Joint Sponsors, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, we cannot assure our investors that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

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Forward-looking statements contained in this prospectus are subject to risks and uncertainties.

This prospectus contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain pro forma information and other matters. The words “aim,” “anticipate,” “believe,” “could,” “predict,” “potential,” “continue,” “expect,” “intend,” “may,” “might,” “plan,” “seek,” “will,” “would,” “should” and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, amongst others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessarily estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set out in this section. Accordingly, such statements are not a guarantee of future performance and investors should not place undue reliance.

WAIVERS AND EXEMPTIONS

In preparation for the Listing, we have sought the following waivers from strict compliance with the Listing Rules and exemptions from strict compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

Rules	Subject matter
Rules 3.28 and 8.17 of the Listing Rules .	Appointment of joint company secretaries
Rules 8.12 and 19A.15 of the Listing Rules	Management presence in Hong Kong
Rule 19A.18(1) of the Listing Rules	Appointment of an independent non-executive Director being ordinarily resident in Hong Kong
Paragraph 6 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance . .	Disclosure of executive Directors' residential addresses
Paragraphs 13, 26, 27, 29(1) and 45(2) of Appendix D1A to the Listing Rules and paragraphs 25 and 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance	Particulars of information of our subsidiaries
Rule 17.02(1)(b) of, and Paragraph 27 of Appendix D1A to the Listing Rules, and Paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance	Disclosure requirements in respect of outstanding Share Incentives
Rules 8.08(1)(b) and 19A.13A of the Listing Rules	Minimum public float of the H Shares
Chapter 14A of the Listing Rules	Continuing connected transaction
Paragraph 4.2 of Practice Note 18 of the Listing Rules	Clawback mechanism
Rule 10.04 and Paragraph 5(2) of Appendix F1 to the Listing Rules	Allocation of H Shares to Existing Minority Shareholders and their close associates
Rule 10.04 and Paragraph 5(2) of Appendix F1 to the Listing Rules	Subscription for H Shares by existing shareholders and their close associates as cornerstone investors and placees
Paragraph 15(2)(c) of Appendix 1A to the Listing Rules	Disclosure of Offer Price
Paragraph 5(1) of Appendix F1 to the Listing Rules and Chapter 4.15 of the Guide for New Listing Applicants	Proposed subscriptions of H Shares by certain cornerstone investors who are connected clients

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APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary, who, by virtue of academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing “relevant experience,” the Stock Exchange will consider the individual’s:

- (a) length of employment with the issuer and other issuers and the roles they played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

We have appointed Mr. Jiang Li (蔣理) (“**Mr. Jiang**”) as our joint company secretary with effect from the Listing Date. Our Group’s key operations and principal business activities are conducted outside of Hong Kong. We believe that the company secretary role requires a person to be deeply familiar with our operations and the specific industry context, and to be able to cultivate strong relationships with both the Board and the management. It would be in the best interests of our Company and our corporate governance to have as its joint company secretary a person such as Mr. Jiang who has been with our Company since June 2017. As the vice general manager and Board secretary of the Company, Mr. Jiang is deeply familiar with our operations and is able to cultivate strong relationships with both the Board and the management. Our Directors believe that Mr. Jiang’s intimate knowledge of our Company and operations is essential for the performance of company secretary duties in the most effective and efficient manner. For biographical details, see “Directors, Supervisors and Senior Management.”

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Since Mr. Jiang does not possess the qualifications stipulated in Rule 3.28 of the Listing Rules, he is not able to fulfill the requirements to act as a company secretary of a listed issuer stipulated under the Listing Rules. To support Mr. Jiang in performing the duties of company secretary, we have appointed Ms. Jian Xuegen (簡雪艮) (“**Ms. Jian**”), who is a member of both the Hong Kong Institute of Certified Public Accountants and the Chinese Institute of Certified Public Accountants and meets the requirements under Rule 3.28 of the Listing Rules, as a joint company secretary to provide assistance for a three-year period from the Listing Date so as to enable Mr. Jiang to acquire the relevant experience as required under Note 2 to Rule 3.28 of the Listing Rules to duly discharge his duties.

Accordingly, our Company has applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Mr. Jiang as our joint company secretary for a period of three years from the Listing Date. Such waiver has been granted on the conditions that: (i) Mr. Jiang is assisted by Ms. Jian, who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as our joint company secretary throughout the three-year waiver period, to discharge his function as a company secretary and gain the relevant experience under Rule 3.28 of the Listing Rules; and (ii) this waiver will be revoked in the event of any material breaches of the Listing Rules by our Company.

In addition, Mr. Jiang will comply with the annual professional training requirements under Rule 3.29 of the Listing Rules and enhance his understanding of the Listing Rules during the three-year period from the Listing Date. Our Company will further ensure that Mr. Jiang has access to the relevant training and support to familiarize himself with the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange. Prior to the expiration of the three-year period, our Company will further evaluate the qualifications and experience of Mr. Jiang to determine whether he has satisfied the requirements as stipulated under the Listing Rules and whether he needs further assistance. We will liaise with and seek the Stock Exchange’s confirmation on whether Mr. Jiang, having benefited from the assistance of Ms. Jian for three years, has acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of company secretary alone so that a further waiver will not be necessary.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong, which normally means that at least two executive Directors must be ordinarily resident in Hong Kong. Pursuant to Rule 19A.15 of the Listing Rules, the requirement under Rule 8.12 may be waived at the discretion of the Stock Exchange having regard to, among other considerations, the arrangements for maintaining regular communication with the Stock Exchange.

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Our Company does not have two executive Directors who are ordinarily resident in Hong Kong for the purposes of Rule 8.12 of the Listing Rules. Since most of the business operations of our Group are conducted outside of Hong Kong, our Company considers that it would be difficult and unnecessary to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors, which is not in the best interest of our Company and our Shareholders as a whole. Therefore, our Company does not, and does not contemplate in the foreseeable future that we will, have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, our Company has applied for, and the Stock Exchange has granted us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules, on the basis that our Company implements the following arrangements to ensure there is an effective channel of communication between our Company and the Stock Exchange:

- (a) **Authorized representatives:** our co-chairman of the Board and executive Director, Mr. Pan Jian (潘健), and our vice general manager, Board secretary and joint company secretary, Mr. Jiang Li, have been appointed to act as the authorized representatives of our Company and our principal channels of communication with the Stock Exchange. Accordingly, Mr. Pan Jian and Mr. Jiang Li will be able to meet with the relevant members of the Stock Exchange on reasonable notice and will be readily contactable by telephone, facsimile and/or email.

Each of the authorized representatives of our Company has means of contacting all Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange proposes to contact a Director with respect to any matter;

- (b) **Directors:** each Director will provide his or her mobile phone number, office phone number, facsimile number (if any) and email address to the authorized representatives of our Company and the Stock Exchange. In the event that any Director expects to travel or otherwise be out of the office, he or she will provide the phone number of the place of accommodation to the authorized representatives.

Each of our Directors not ordinarily residing in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time;

- (c) **Compliance Advisor:** our Company has appointed China Securities (International) Corporate Finance Company Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules, who will, among other things and in addition to the authorized representatives and our Directors, also act as an additional channel of communication with the Stock Exchange for at least a period from the Listing Date to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year immediately following

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the Listing Date. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will have access at all times to our authorized representatives, Directors and senior management. We shall also ensure that our authorized representatives, Directors and senior management will promptly provide such information and assistance as the Compliance Advisor may need or may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules. We shall ensure that there are adequate and efficient means of communication among our Company, authorized representatives, Directors, senior management and the Compliance Advisor, and will keep the Compliance Advisor fully informed of all communications and dealings between the Stock Exchange and us.

Any meeting between the Stock Exchange and our Directors will be arranged through the authorized representatives or the Compliance Advisor or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives and/or our Compliance Advisor; and

- (d) **Legal advisors:** we will also engage legal advisors to advise on compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong.

APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR BEING ORDINARILY RESIDENT IN HONG KONG

Pursuant to Rule 19A.18(1) of the Listing Rules, our Company, as a PRC-incorporated issuer, is required to appoint at least one independent non-executive Director being ordinarily resident in Hong Kong.

Currently, all the independent non-executive Directors reside in mainland China. Our Company does not have, and will not have upon the Listing, any independent non-executive Director who is ordinarily resident in Hong Kong.

Accordingly, we have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 19A.18(1) of the Listing Rules until the end of the term of office (being December 25, 2027), or the resignation or removal, of any independent non-executive Director, whichever is earlier, based on the following grounds:

- (a) there are practical difficulties for our Company to change any current independent non-executive Director or appoint an additional independent non-executive Director who ordinarily resides in Hong Kong upon the Listing. Our independent non-executive Directors have recently been re-appointed to serve on the fourth session of the Board with a three-year term of office from December 26, 2024. Proposing the replacement of any of them soon after their re-appointment may create confusion in the market and undermine investor confidence and raise concerns regarding the

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stability of governance practices. Moreover, the number of Directors and the composition of the Board (nine Directors, including three independent non-executive Directors) are stipulated in the Articles of Association. Appointment of an additional independent non-executive Director who ordinarily resides in Hong Kong would require the amendment to the Articles of Association, for which our Company has to comply with certain procedures as required under the Articles of Association, the listing rules of the Shenzhen Stock Exchange and other applicable laws and regulations of mainland China, all of which could be time consuming and will distract the current focus of the senior management;

- (b) our current independent non-executive Directors are highly recognized in their fields and industries, continue to provide independent advice and valuable industrial experience to the Board, and have extensive experience supervising listed issuers for the interest of the Shareholders and potential investors. The current independent non-executive Directors are familiar with our business and operations and the management of our Board and senior management, whose experience and contribution to the Board are invaluable to our Group. Replacing any one of them with an individual ordinarily residing in Hong Kong may not be beneficial to our Company and our Shareholders as a whole because (i) it may take our Company substantial time and efforts to identify a candidate as suitable as the current independent non-executive Directors, as such candidate with equivalent background, skills, experience and qualifications is not widely available in the market; (ii) it may take our Company substantial time and efforts to identify a candidate who meets the requirements under the listing rules of the Shenzhen Stock Exchange and other applicable laws and regulations of mainland China; and (iii) it would take any new independent non-executive Director a significant amount of time to understand our Group, the current trend of the market and industry, and other relevant factors that are crucial to the development and growth of our Group; and
- (c) upon the Listing, our Company will have satisfactory corporate governance practices and arrangements to maintain regular communication with the Stock Exchange during the waiver period, in particular, our Company has appointed two authorized representatives, and will provide the contact details of the authorized representatives and the Directors to ensure the Stock Exchange has access to our Company and our Directors. Our Company will also appoint other professionals who are familiar with the relevant legal and regulatory issues and business environment in Hong Kong, such as the Compliance Advisor and Hong Kong legal advisors, to ensure our compliance with the Listing Rules after completion of the Listing. Pursuant to Rule 3A.19 of the Listing Rules, our Company has appointed China Securities (International) Corporate Finance Company Limited as our Compliance Advisor, the term of office of which shall commence on the Listing Date and continue until the later of (i) the date on which our Company complies with the requirements under Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year immediately following the Listing Date, or (ii) the appointment of an independent non-executive Director who will be ordinarily

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resident in Hong Kong has been confirmed and approved, and will designate Ms. Chen Jing, an ordinary resident in Hong Kong and an executive director of the Investment Banking Department of China Securities (International) Corporate Finance Company Limited, to serve as a channel of communication with the Stock Exchange additional to the authorized representatives and Directors during the aforesaid appointment period and the period for which the waiver in respect of the appointment of an independent non-executive director ordinarily resident in Hong Kong is in force.

DISCLOSURE OF EXECUTIVE DIRECTORS' RESIDENTIAL ADDRESSES

Paragraph 6 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires this prospectus to include the addresses of the directors and paragraph 45 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance provides that such address means the place of usual residence of the directors.

We have applied for, and the SFC has granted us, a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with paragraph 6 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in respect of the disclosure of the residential addresses of Mr. Zeng Yuqun, our founder, chairman of the Board, executive Director and general manager, and Mr. Pan Jian, our co-chairman of the Board and executive Director (the “**Relevant Directors**”) on the ground that such disclosure would be inappropriate having considered the following factors:

(a) Unnecessary attention and real risks to Relevant Directors

The Relevant Directors are high profile public figures. The corporate decisions and speeches made by them often generate interest in the general public and the media. Given the Listing would inevitably attract significant media and public attention, it is reasonable for our Company to believe that the disclosure of the residential addresses of the Relevant Directors may expose the Relevant Directors and their families to unnecessary attention, disturbance and personal safety risks.

(b) Risks to our business operations

Public disclosure of the Relevant Directors' residential addresses may also distract or deter the Relevant Directors from effectively managing the business and other Board affairs. If the Relevant Directors become susceptible to actual or perceived attacks to themselves and their families by virtue of the disclosure, their ability to focus on their duties and make sound decisions for our Company may be affected. Meanwhile, it may facilitate the potential theft or fraud of confidential information or other malicious activities against the Relevant Directors, causing financial losses, reputational damage or legal disputes to the Relevant Directors and the Company.

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(c) Minimal impact on investing public

The addresses of our head office and principal place of business as well as the business addresses of the Relevant Directors have been disclosed in this prospectus, such that the communicability and accountability of the Relevant Directors as executive Directors is not compromised. All other material information in relation to the Relevant Directors as executive Directors as required to be disclosed under the Listing Rules and the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, including their names, age, working experience, academic background and qualifications, have been properly disclosed in this prospectus. Given our Company's business and financial performance as set out in this prospectus as well as our disclosure track record, the non-disclosure of the residential addresses of the Relevant Directors would have minimal impact on the decision of the potential investors to invest in the H Share of our Company, would not interfere with the provision of information to investors to make an informed assessment of the Relevant Directors' character, experience and integrity acting as a director of a H-share listed issuer, and would not prejudice the interests of the investing public or affect their ability to make informed investment decisions. On the contrary, the Relevant Directors are the key figures to our business, and any coercion, harassment or other actual or potential security threats that may be incurred as a result of the public disclosure of their personal addresses, or damage to the Company's reputation or disruption of its operations, could have a material adverse effect on our business, financial position and results of operations, thereby exposing the Shareholders to the risk of substantial loss of their investments.

The exemption is granted by the SFC on the conditions that (i) the business addresses of the Relevant Directors are disclosed in this prospectus; (ii) the particulars of the exemption are disclosed in this prospectus, and (iii) this prospectus is issued on or before May 12, 2025.

PARTICULARS OF INFORMATION OF OUR SUBSIDIARIES

Paragraphs 13 and 26 of Appendix D1A to the Listing Rules require this prospectus to include the particulars of any commissions, discounts, brokerages or other special terms granted in connection with the issue or sale of any capital of, and the particulars of any alterations in the capital of, any member of our Group within the two years immediately preceding the issue of this prospectus.

Paragraph 27 of Appendix D1A to the Listing Rules require this prospectus to include particulars of any capital of any member of the Group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement.

Paragraph 25 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires particulars of the authorized debentures of our Company and its subsidiaries to be disclosed in this prospectus.

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Paragraph 29(1) of Appendix D1A to the Listing Rules and paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance require this prospectus to include, information in relation to the name, date and place of incorporation, the public or private status and the general nature of the business, the issued capital and the proportion thereof held or intended to be held, of every company (a) the whole of the capital of which or a substantial proportion thereof is held or intended to be held by our Company, or (b) whose profits or assets make, or will make a material contribution to the figures in the Accountants' Report or to our Company's next financial statements.

Paragraph 45(2) of Appendix D1A to the Listing Rules requires to disclose the name of each person (other than Directors or chief executive of our Company), who is directly or indirectly interested in 10% or more of the issued voting shares of any other member of our Group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such securities.

As of the Latest Practicable Date, we had more than 300 subsidiaries globally. The disclosure of the above required information about all our subsidiaries would be unduly burdensome for us as we would incur additional costs and have to allocate additional resources to the preparation and verification of the relevant information for such disclosure, while such information would not be material or meaningful to investors. The non-disclosure of such information in respect of the non-Major Subsidiaries will not prejudice the interest of the investing public.

We have identified 11 Major Subsidiaries that we consider material, taking into account various factors including the significance of their business segments and financial contribution as well as our Group's strategies. By way of illustration, the aggregate revenue of our Company and the Major Subsidiaries (before intercompany eliminations) accounted for 133.1%, 126.7% and 123.2% of the total revenue of our Group (after intercompany eliminations) for the years ended December 31, 2022, 2023 and 2024, respectively; and the aggregate total assets of our Company and the Major Subsidiaries (before intercompany eliminations) accounted for 105.4%, 99.1% and 97.5% of the total assets of our Group (after intercompany eliminations) as of December 31, 2022, 2023 and 2024, respectively; and the aggregate net profits of our Company and the Major Subsidiaries (before intercompany eliminations) accounted for 94.9%, 92.2% and 121.8% of the net profits of our Group (after intercompany eliminations) for the years ended December 31, 2022, 2023 and 2024, respectively. Save for the Major Subsidiaries, none of our other subsidiaries, on a standalone basis, recorded revenue that accounted for over 5% of the revenue of our Group for the years ended December 31, 2022, 2023 and 2024, or held over 5% of the total assets of our Group as of December 31, 2022, 2023 and 2024, respectively. None of our subsidiaries other than the Major Subsidiaries held asset and intellectual property material to the financial position of our Company as of the Latest Practicable Date.

We have disclosed the particulars of the changes in the share capital of our Company and the Major Subsidiaries, if any, in "Appendix VI — Statutory and General Information — 1. Further Information about Our Group" to this prospectus. We have also disclosed the corporate information (including name, principal business activities, place and date of incorporation and

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the interest held by the Group) of the Major Subsidiaries as required under Paragraph 29(1) of Appendix D1A to the Listing Rules and paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in “History and Corporate Structure”, and the share capital of the Major Subsidiaries in Note 1 to the Accountants’ Report as set out in Appendix I to this prospectus. We have also disclosed in “Appendix VI — Statutory and General Information” to this prospectus particulars of any capital of the Major Subsidiaries which is under option, or agreed conditionally or unconditionally to be put under option. In addition, details of each person (other than Directors, Supervisors or chief executive of our Company) of our Group who is interested in 10% or more of the issued voting shares of any Major Subsidiaries and the amount of each of such person’s interest in such securities, together with particulars of any options in respect of such securities, if any, are disclosed in “Appendix VI — Statutory and General Information — 3. Further Information about Directors, Supervisors, Chief Executive and Substantial Shareholders of Our Company — D. Interests of Substantial Shareholders in Shares of Our Company and/or Our Major Subsidiaries” to this prospectus.

We have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under paragraphs 13, 26, 27, 29(1) and 45(2) of Appendix D1A to the Listing Rules in respect of disclosing the following information of our subsidiaries which are not Major Subsidiaries:

- (i) particulars of any commissions, discounts, brokerages or other special terms granted in connection with the issue or sale of any capital, or the particulars of any alterations in the capital within the two years immediately preceding the issue of this prospectus;
- (ii) particulars of any capital which is under option or agreed to be put under option;
- (iii) information in relation to the name, date and place of incorporation, public or private status, the general nature of business, the issued capital and the proportion thereof held or intended to be held; and
- (iv) the name of each person (other than Directors or chief executive of the Company), who is directly or indirectly interested in 10% or more of the issued voting shares and such person’s shareholding.

We have applied for, and the SFC has granted us, a certificate of exemption from strict compliance with the requirements under paragraphs 25 and 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in respect of disclosing the information of our subsidiaries which are not Major Subsidiaries as required under paragraphs 25 and 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

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The exemption is granted by the SFC on the conditions that: (i) the particulars of the exemption are disclosed in this prospectus; and (ii) this prospectus is issued on or before May 12, 2025.

DISCLOSURE REQUIREMENTS IN RESPECT OF OUTSTANDING SHARE INCENTIVES

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribe certain disclosure requirements in relation to the Share Incentives granted by our Company (the “**Share Incentive Disclosure Requirements**”):

- (a) Rule 17.02(1)(b) of the Listing Rules stipulates that all material terms of a share scheme must be clearly set out in this prospectus. Our Company is also required to disclose in this prospectus full details of all outstanding Share Incentives and their potential dilution effect on the shareholdings upon the Listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding Share Incentives;
- (b) paragraph 27 of Appendix D1A to the Listing Rules requires our Company to set out in this prospectus particulars of any capital of any member of our Group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee; and
- (c) paragraph 10 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires that our Company shall disclose in this prospectus the number, description and amount of any shares in or debentures of our Company which any person has or is entitled to be given, an option to subscribe for, together with the following particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures.

Paragraph 6 of Chapter 3.6 of the Listing Guide provides that in general, the Stock Exchange would grant waivers from disclosing the names and addresses of certain grantees in the listing document.

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Paragraph 7 of Chapter 3.6 of the Listing Guide further provides that a waiver from the Share Incentive Disclosure Requirements is at least subject to the following conditions (the “**Waiver Conditions**”):

- (a) demonstrating that the disclosure required under the relevant Listing Rules would be irrelevant or unduly burdensome;
- (b) disclosing the following in this prospectus:
 - (i) for each of the grantees who is (1) a Director, (2) a member of the senior management, or (3) a connected person, all the particulars required under the Share Incentive Disclosure Requirements;
 - (ii) for the remaining grantees, on an aggregate basis, (1) the aggregate number of grantees and the number of shares underlying the Share Incentives; (2) the exercise period of each Share Incentive; (3) the consideration paid for the Share Incentives; and (4) the exercise price of the Share Incentives; and
 - (iii) the aggregate number of underlying Shares required to be issued to satisfy the Share Incentives; the percentage of such aggregate number of underlying Shares to the issued share capital; and the dilution effect and impact on earnings per share upon full exercise of the Share Incentives under the Share Incentive Plans.
- (c) making available for public inspection a full list of all grantees under the Share Incentive Schemes with all the particulars required under Share Incentive Disclosure Requirements.

As of the Latest Practicable Date, each of the 2021 Share Incentive Plan, the 2022 Share Incentive Plan and the 2023 Share Incentive Plan was in effect, to which the Share Incentive Disclosure Requirements are applicable. For details, see “Appendix VI — Statutory and General Information — 4. Share Incentive Plans” to this prospectus.

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As of the Latest Practicable Date, the total number of A Shares underlying all outstanding Share Incentives under the Share Incentive Plans amounted to 15,229,646, accounting for approximately 0.34% of the total issued Shares upon completion of the Global Offering (assuming (i) the Offer Size Adjustment Option and the Over-allotment Option are not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing), of which the outstanding Share Incentives representing 706,552 A Shares, 570,391 A Shares and 857,583 A Shares were granted to our Directors, senior management and 12 connected persons who are only connected persons at the subsidiary level or associates (not immediate family members) of the connected persons at the Company level and also our employees (the “**Other Connected Persons**”), respectively, accounting for approximately 4.64%, 3.75% and 5.63% of the total outstanding Share Incentives under the Share Incentive Plans, and approximately 0.02%, 0.01% and 0.02% of the total issued Shares upon completion of the Global Offering (assuming (i) the Offer Size Adjustment Option and the Over-allotment Option are not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing).

We have applied to: (i) the Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules; and (ii) the SFC for a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, exempting our Company from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, respectively, on the grounds that strict compliance with the Share Incentive Disclosure Requirements would be unduly burdensome for our Company and the waiver and exemption would not prejudice the interest of the investing public, taking into account the following reasons:

- (a) given that over 5,000 grantees (other than our Directors, senior management or the Other Connected Persons) are involved under the Share Incentive Plans, strict compliance with such disclosure requirements in setting out full details of all the grantees under the Share Incentive Plans in this prospectus would be costly and unduly burdensome for our Company in light of a significant increase in cost and time for information compilation and prospectus preparation. For example, the disclosure of personal information of each grantee may require the consent of all grantees to comply with personal information privacy laws and principles. Given the number of grantees, obtaining their consent would cause an unnecessary burden on our Company;
- (b) full disclosure of the Share Incentives granted to each grantee could provide our employees with access to information about the remuneration of their peers or other employees, which may have a negative impact on employee morale, lead to negative internal competition and result in increased costs of recruiting and retaining talents. On the contrary, not disclosing such details in full will allow us more flexibility in determining our remuneration policies and details;

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- (c) full disclosure of the details of the grantees and the respective Share Incentives granted to them will provide competitors with details of our employee remuneration and facilitate their recruitment activities, which may affect our Group's ability to recruit and retain valuable personnel;
- (d) the grant and exercise in full of the Share Incentives under the Share Incentive Plans will not cause any material adverse impact to the financial position of our Group;
- (e) there will not be any new H Shares issued under the Share Incentive Plans as such plans are A-Share incentive plans;
- (f) not fully compliant with the Share Incentive Disclosure Requirements would not prevent our Company from providing our potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and
- (g) material information relating to the Share Incentives, including most of the information required under the Waiver Conditions, has been disclosed in this prospectus to provide prospective investors with sufficient information to make an informed decisions.

In addition, for the following considerations, our Company further applies to the Stock Exchange for a waiver from strict compliance with the Waiver Conditions, so that our Company is not required to (i) disclose, on an individual basis, the particulars of the Share Incentives granted to the Other Connected Persons; and (ii) make available a full list of all grantees for public inspection:

- (a) The Other Connected Persons are only connected persons at the subsidiary level or associates (not immediate family members) of connected persons at the Company level, and are also themselves key mid-level management personnel of our Group. Individual disclosure of the grant details of such persons would expose sensitive information about our talent management strategies and remuneration policies and provide competitors with specific information that could be used for targeted solicitation of our key mid-level management personnel, potentially compromising our Group's efforts to attract and retain key talent and impacting our Group's business operations and development. In addition, the Share Incentives granted to the Other Connected Persons in aggregate only accounted for a minimal portion of the total issued Shares of our Company.
- (b) Making available a full list of all grantees for public inspection will not only provide our employees with access to information about the remuneration of their peers or other employees, leading to negative impact on employee morale, negative internal competition and increased recruiting and retention costs, but also provide competitors with our employee remuneration details, facilitating their recruitment activities and compromising our retention efforts.

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Therefore, we have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules in relation to the Share Incentive Plans on the conditions that:

- (a) a summary of the latest terms of the Share Incentive Plans is disclosed in “Appendix VI — Statutory and General Information — 4. Share Incentive Plans” to this prospectus;
- (b) full details as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, and paragraph 10 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance of the Share Incentives granted by our Company to our Directors and senior management, on an individual basis, are disclosed in “Appendix VI — Statutory and General Information — 4. Share Incentive Plans” to this prospectus. With respect to the Share Incentives granted to the Other Connected Persons, the following details are disclosed on an aggregated basis in this prospectus: (i) the number of grantees, the type of Share Incentives and the number of Shares underlying the Share Incentives, (ii) the consideration paid for the grant of the Share Incentives, and (iii) the vesting/exercise period and the exercise price of the Share Incentives;
- (c) with respect to the Share Incentives granted to the remaining grantees (being grantees who are not our Directors, senior management or Other Connected Persons), disclosure is made on an aggregate basis categorized into groups based on the number of Shares underlying the outstanding Share Incentives, being (i) 1 to 10,000, (ii) 10,001 to 100,000 and (iii) 100,001 and above, and in respect of each group of Shares, the following details are disclosed in this prospectus: (i) the number of grantees, the type of Share Incentives and the number of Shares underlying the Share Incentives, (ii) the consideration paid for the grant of the Share Incentives, and (iii) the vesting/exercise period and the exercise price of the Share Incentives;
- (d) the total number of Shares underlying the outstanding Share Incentives under the Share Incentive Plans and the percentage to our total issued Shares represented by such number of Shares as of the Latest Practicable Date are disclosed in “Appendix VI — Statutory and General Information — 4. Share Incentive Plans” to this prospectus;
- (e) the dilutive effect and impact on earnings per share upon the full exercise of the Share Incentives upon completion of the Global Offering (assuming (i) the Offer Size Adjustment Option and the Over-allotment Option are not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing) are disclosed in “Appendix VI — Statutory and General Information — 4. Share Incentive Plans” to this prospectus; and
- (f) the grant of a certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting our Company from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

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We have applied for, and the SFC has granted us, a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

- (a) full details as required under paragraph 10 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance of the Share Incentives granted by our Company to our Directors and senior management, on an individual basis, are disclosed in “Appendix VI — Statutory and General Information — 4. Share Incentive Plans” to this prospectus. With respect to the Share Incentives granted to the Other Connected Persons, the following details are disclosed on an aggregated basis in this prospectus: (i) the number of grantees, the type of Share Incentives and the number of Shares underlying the Share Incentives, (ii) the consideration paid for the grant of the Share Incentives, and (iii) the vesting/exercise period and the exercise price of the Share Incentives;
- (b) with respect to the Share Incentives granted to the remaining grantees (being grantees who are not our Directors, senior management or Other Connected Persons), disclosure is made on an aggregate basis categorized into groups based on the number of Shares underlying the outstanding Share Incentives, being (i) 1 to 10,000, (ii) 10,001 to 100,000 and (iii) 100,001 and above, and in respect of each group of Shares, the following details are disclosed in this prospectus: (i) the number of grantees, the type of Share Incentives and number of Shares underlying the Share Incentives, (ii) the consideration paid for the grant of the Share Incentives, and (iii) the vesting/exercise period and the exercise price of the Share Incentives; and
- (c) the particulars of the exemption are disclosed in this prospectus, and this prospectus is issued on or before May 12, 2025.

MINIMUM PUBLIC FLOAT OF THE H SHARES

Rule 8.08(1)(a) and (b) (as amended by Rule 19A.13A) of the Listing Rules states that there must be an open market in the securities for which listing is sought. This will normally mean that: (a) at least 25% of the issuer’s total number of issued shares must at all times be held by the public; (b) where an issuer has one class of securities or more apart from the class of securities for which listing is sought, the total securities of the issuer held by the public (on all regulated market(s) including the Stock Exchange) at the time of listing must be at least 25% of the issuer’s total number of issued shares. However, the class of securities for which listing is sought must not be less than 15% of the issuer’s total number of issued shares, having an expected market capitalization at the time of listing of not less than HK\$125,000,000.

Based on an Offer Price of HK\$263.00 and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised, we expect that the market capitalization of our H Shares will exceed the minimum expected market capitalization of HK\$125 million required by Rules 8.08(1)(b) and 19A.13A of the Listing Rules.

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Our Company has applied for, and the Stock Exchange has granted us, a waiver from complying with the minimum public float requirement under Rules 8.08(1)(b) and 19A.13A, so that the minimum percentage of the H Shares of our Company (being the securities for which listing on the Stock Exchange is sought) upon completion of the Global Offering held by the public is 1.6% of the total number of issued Shares of our Company upon completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no other changes are made to the issued share capital of our Company from the Latest Practicable Date to the Listing, subject to the following:

- (a) we will comply with the public float requirement under Rule 8.08(1)(a) of the Listing Rules where at least 25% of our Company's total number of issued Shares (A Shares and H Shares in aggregate) must be held by the public from time to time;
- (b) we will announce the percentage of H Shares held by the public immediately after completion of the Global Offering (before and after any exercise of the Over-allotment Option);
- (c) we will confirm the sufficiency of public float (as modified by this waiver) in successive annual reports after the Listing (with respect to Rule 8.08(1) of the Listing Rules only), if required; and
- (d) we will implement appropriate measures and mechanisms to ensure continual maintenance of the minimum public float of H Shares approved by the Stock Exchange upon Listing or such lower requirement (if any) as may from time to time be permitted under the Listing Rules or by the Stock Exchange.

CONTINUING CONNECTED TRANSACTION

As stated in "Connected Transactions," our Company engages in and is expected to continue to conduct certain transactions which will constitute a partially-exempt continuing connected transaction of our Company under the Listing Rules upon the Listing. The Directors of our Company consider that strict compliance with the announcement requirements of the Listing Rules would be unduly burdensome and would impose unnecessary administrative costs on our Company.

Accordingly, our Company has applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the announcement requirements under Chapter 14A of the Listing Rules in respect of such partially-exempt continuing connected transaction upon the Listing. For details, see "Connected Transactions."

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WAIVER IN RESPECT OF CLAWBACK MECHANISM

Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place, which would have the effect of increasing the number of Hong Kong Offer Shares to certain percentages of the total number of Offer Shares offered in the Global Offering if certain prescribed total demand levels are reached.

We have applied for, and the Stock Exchange has granted to us, a waiver from strict compliance with the requirements of Paragraph 4.2 of Practice Note 18 to the Listing Rules where the Hong Kong Public Offering will initially account for 7.5% of the Global Offering with the remainder allocated to the International Offering, without being subject to any clawback mechanism, subject to the condition that the market capitalization of the final allocation of Offer Shares to the Hong Kong Public Offering will be no less than HK\$2.0 billion. The application is made on the following grounds:

- (a) **Due regard to the interests of Hong Kong public investors.** The Company undertakes that the market capitalization of the final allocation of Offer Shares to Hong Kong Public Offering will be no less than HK\$2.0 billion based on final Offer Price. Accordingly, the initial allocation is sufficiently large to satisfy the demand of public investors for Hong Kong Public Offer Shares notwithstanding the lack of any clawback mechanism.
- (b) **Availability of more share allocations to Hong Kong retail investors than a Typical PN18 Waiver (as defined below).** In a typical waiver from strict compliance with Practice Note 18 as referenced in Chapter 4.14 of the Guide (the “**Typical PN18 Waiver**”) granted by the Stock Exchange, the market capitalization of the public offer is HK\$2.0 billion. The market capitalization of the Hong Kong Public Offer will be no less than that under the Typical PN18 Waiver.
- (c) **Understandability of the offering structure.** Pursuant to the waiver, the Global Offering would not involve clawback trigger points and, provided that the Hong Kong Public Offer is not undersubscribed, the number and percentage of the Hong Kong Public Offering will not be subject to change. Such structure brings certainty to public investors and is easy for the average public investor to understand.
- (d) **Best interests of the Shareholders as a whole.** The waiver would allow more Offer Shares to be allocated under the International Offering to professional and institutional investors. Involvement by such investors as Shareholders of the Company will be conducive to a solid and balanced shareholder base, maintain corporate governance standards of the Company, ensure a balance of long-term holding and short-term liquidity and enhance the stability of the secondary market of the H Shares. Accordingly, the Company submits that the waiver is to the long-term benefit of the Company and in the best interests of its Shareholders as a whole, including public investors.

WAIVERS AND EXEMPTIONS

For the avoidance of doubt, if the Hong Kong Public Offering is not fully subscribed, the unsubscribed Offer Shares under the Hong Kong Public Offering may be reallocated to the International Offering. See “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation” for further details.

ALLOCATION OF H SHARES TO EXISTING MINORITY SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

Rule 10.04 of the Listing Rules requires that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which are being marketed by or on behalf of the issuer either in his or its own name or through nominees if the conditions in Rules 10.03(1) and (2) of the Listing Rules are fulfilled. It is provided in Rule 10.03(1) of the Listing Rules that no securities may be offered to existing shareholders on a preferential basis and no preferential treatment may be given to them in the allocation of the securities; and in Rule 10.03(2) that the minimum prescribed percentage of public shareholders required by Rule 8.08(1) must be achieved.

Paragraph 5(2) of Appendix F1 to the Listing Rules provides that no allocations will be permitted to the existing shareholders of the applicant or their close associates, whether in their own names or through nominees, in the Global Offering unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

Chapter 4.15 of the Guide for New Listing Applicants provides that the Stock Exchange will consider giving consent and granting waiver from Rule 10.04 of the Listing Rules to an applicant’s existing shareholders or their close associates to participate in an initial public offering if any actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed.

Paragraph 13 of Chapter 4.15 of the Guide for New Listing Applicants sets out the conditions required to be fulfilled when the Stock Exchange considers granting a waiver and consent from Rule 10.04 of the Listing Rules to placing to existing shareholders or their close associates (the “**Existing Shareholder Conditions**”).

Prior to the Listing, our Company’s share capital comprises entirely of A Shares listed on the Shenzhen Stock Exchange. We have a large and widely dispersed public A Share shareholder base.

WAIVERS AND EXEMPTIONS

We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 5(2) of Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders who will participate only as either cornerstone investors or placees (but not both) in the International Offering (together, the “**Existing Minority Shareholders**”) on the conditions that each of them:

- (a) together with their close associates, holds less than 5% of the total number of A Shares in issue of our Company prior to the completion of the Global Offering;
- (b) is not and will not become (upon the completion of the Global Offering) a core connected person of our Company or the close associate of any such core connected person;
- (c) does not have the right to appoint a Director and/or have any other special rights;
- (d) allocation to the Existing Minority Shareholders or their close associates will not affect our ability to satisfy the public float requirement as prescribed by the Stock Exchange under Rule 8.08 of the Listing Rules or otherwise approved by the Stock Exchange; and
- (e) that no preferential treatment is given to the Existing Minority Shareholders or their respective close associates (other than the assured entitlement for a cornerstone investor);

provided further that:

- (i) the Joint Sponsors confirm the matters set out in (a) to (d) above;
- (ii) the Joint Sponsors confirm to the Stock Exchange in writing that based on (i) their discussions with our Company and the Overall Coordinators; and (ii) the confirmations provided to the Stock Exchange by our Company and the Overall Coordinators (confirmations (iii) and (iv) mentioned below), and to the best of their knowledge and belief, they have no reason to believe that any of the Existing Minority Shareholders or their close associates received any preferential treatment, or is in a position to exert influence on the Company to obtain actual or perceived preferential treatment in the allocation either as a cornerstone investor or as a placee by virtue of their relationship with our Company other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for New Listing Applicants, and details of the allocation to the Existing Minority Shareholders holding more than 1% of the issued share capital of the Company immediately prior to the completion of the Global Offering will be disclosed in this prospectus and/or the allotment results announcement, as the case may be;

WAIVERS AND EXEMPTIONS

- (iii) our Company will confirm to the Stock Exchange in writing that:
- (A) in the case of participation as cornerstone investors, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates by virtue of their relationship with our Company, other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for New Listing Applicants, nor is the Existing Minority Shareholder in a position to exert influence on the Company to obtain actual or perceived preferential treatment, and the Existing Minority Shareholders or their close associates' cornerstone investment agreements do not contain any material terms which are more favorable to the Existing Minority Shareholders or their close associates than those in other cornerstone investment agreements; or
 - (B) in the case of participation as placees, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates, nor is the Existing Minority Shareholder in a position to exert influence on the Company to obtain actual or perceived preferential treatment, by virtue of their relationship with our Company in any allocation in the placing tranche; and
- (iv) in the case of participation as placees, the Overall Coordinators will confirm to the Stock Exchange (in the form satisfactory to the Stock Exchange) that, to the best of their knowledge and belief, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates by virtue of their relationship with our Company in any allocation in the placing tranche.

WAIVER FROM STRICT COMPLIANCE WITH RULE 10.04 OF AND CONSENT UNDER PARAGRAPH 5(2) OF APPENDIX F1 TO THE LISTING RULES AND PARAGRAPH 17 OF CHAPTER 4.15 OF THE GUIDE IN RESPECT OF SUBSCRIPTIONS OF OFFER SHARES BY EXISTING SHAREHOLDERS AND/OR THEIR CLOSE ASSOCIATES

Rule 10.04 of the Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which are being marketed by or on behalf of a new applicant either in his or its own name or through nominees if the conditions in Rule 10.03(1) and (2) of the Listing Rules are fulfilled. The conditions in Rules 10.03(1) and (2) of the Listing Rules are that (i) no securities will be offered to them on a preferential basis and no preferential treatment will be given to them in the allocation of the securities; and (ii) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved.

Paragraph 5(2) of the Placing Guidelines (the “**Placing Guidelines**”) provides, inter alia, that without the prior written consent of the Stock Exchange, no allocations will be permitted to directors or existing shareholders of the applicant or their close associates, whether in their own names or through nominees unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

WAIVERS AND EXEMPTIONS

Paragraph 12 of Chapter 4.15 of the Guide for New Listing Applicants provides that the Stock Exchange will consider granting a waiver from Rule 10.04 of the Listing Rules and a consent, pursuant to paragraph 5(2) of Appendix F1 to the Listing Rules, to allow a listing applicant's existing shareholders or their close associates to participate in its initial public offering if any actual or perceived preferential treatment arising from their ability to influence the listing applicant during the allocation process can be addressed.

Paragraph 13 of Chapter 4.15 of the Guide for New Listing Applicants sets out the conditions required to be fulfilled when the Stock Exchange considers granting a waiver and consent from Rule 10.04 of the Listing Rules to placing to existing shareholders or their close associates (the “**Existing Shareholder Conditions**”)

Paragraph 17 of Chapter 4.15 of the Guide provides that the Stock Exchange will grant a consent and/or waiver to allow an existing shareholder and/or its close associates and a cornerstone investor to subscribe or purchase further securities in the IPO without fulfilment of the Existing Shareholder Conditions subject to the disclosure of details of the allocation in the listing document and/or the allotment results announcement, and the following:

- (a) The offer (excluding any over-allocation) has a total value of at least HK\$1 billion;
- (b) Securities allocated to all existing shareholders and their close associates (whether as cornerstone investors and/or as placees) as permitted under this exemption do not exceed 30% of the total number of securities offered; and
- (c) Each director, chief executive, controlling shareholder and, in the case of PRC issuers, supervisor of the applicant must have confirmed that no securities have been allocated to them or their respective close associates under this exemption.

(together, the “**Size-based Exemption Conditions**”).

We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 5(2) of Appendix F1 to the Listing Rules for allocation of securities to certain existing shareholders and/or their close associates who will subscribe for Offer Shares as cornerstone investors and as placees and to certain cornerstone investors who will subscribe for further Offer Shares as placees in the International Offering on the conditions that:

- (i) the Size-based Exemption Conditions will be fulfilled;
- (ii) our Company will comply with the public float requirement under Rule 8.08(1) of the Listing Rules; and
- (iii) details of the allocation to such investors will be disclosed in the allotment results announcement to be published in connection with the Global Offering.

WAIVERS AND EXEMPTIONS

DISCLOSURE OF OFFER PRICE

Paragraph 15(2)(c) of Appendix D1A to the Listing Rules provides that the issue price or offer price of each security must be disclosed in the prospectus. Pursuant to Paragraph 12 of the Guide, the Stock Exchange also allows an indicative offer price range to be included in the prospectus, as an alternative to the disclosure of a fixed offer price.

We have applied to the Stock Exchange a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules so that the Company will only disclose the maximum Offer Price in the Prospectus on the below basis:

- (a) The Offer Price will be determined with reference to, among other factors, the closing price of the Company's A Shares on the Shenzhen Stock Exchange on the last trading day on or before the Price Determination Date. Our Company is unable to control the trading price of our A Shares on the Shenzhen Stock Exchange;
- (b) Setting a fixed offer price or an offer price range with a low-end may adversely affect our ability to price our H Shares in the best interests of our Shareholders and the market price of the A Shares and the Hong Kong Offer Shares;
- (c) Pursuant to paragraphs 9 and 10(b) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the amount payable on application and allotment on each share, and the price to be paid for shares subscribed for, shall be specified in the Prospectus, respectively. Disclosure of a maximum offer price complies with the requirements prescribed under paragraphs 9 and 10(b) of Part A the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance by providing a clear indication of the maximum subscription consideration a potential investor shall pay for the Offer Shares; and
- (d) A maximum Offer Price will be disclosed in this prospectus. This alternative disclosure approach would not prejudice the interests of the investing public in Hong Kong.

The Stock Exchange has granted to us a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules on the conditions that the Prospectus will disclose:

- (a) the maximum Offer Price;
- (b) the time for the determination of the Offer Price and the form of its publication;
- (c) the historical prices of the Company's A Shares and trading volume on the Shenzhen Stock Exchange during the Track Record Period and up to the Latest Practicable Date;
- (d) the determinants of the final Offer Price; and

WAIVERS AND EXEMPTIONS

(e) the source for investor to access the latest market price of the Company's A Shares.

See "Structure of the Global Offering — Pricing — Determining the Pricing of the Offer Shares" in this prospectus for the historical prices of our A Shares and trading volume on the Shenzhen Stock Exchange.

CONSENT IN RESPECT OF THE PROPOSED SUBSCRIPTION OF H SHARES BY CERTAIN CORNERSTONE INVESTORS WHO ARE CONNECTED CLIENTS

Paragraph 5(1) of Appendix F1 to the Listing Rules provides that no allocations will be permitted to "connected clients" of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate member(s)) (collectively, the "**Distributors**", and each a "**Distributor**"), without the prior written consent of the Stock Exchange.

Paragraph 13(7) of the Appendix F1 to the Listing Rules states that "connected client" in relation to an exchange participant means any client which is a member of the same group of companies as such exchange participant.

CICC Financial Trading Limited ("**CICC FT**") has entered into cornerstone investment agreements with the Company and China International Capital Corporation Hong Kong Securities Limited ("**CICCHKS**"). CICC FT and China International Capital Corporation Limited ("**CICCL**") will enter into a series of cross border delta-one OTC swap transactions (the "**Gaoyi OTC Swaps**" and "**Greenwoods OTC Swaps**") with each other and the ultimate clients (the "**CICC FT Ultimate Clients (Gaoyi)**" and "**CICC FT Ultimate Clients (Greenwoods)**"), respectively, pursuant to which CICC FT will hold the Offer Shares on a non-discretionary basis to hedge the Gaoyi OTC Swaps and Greenwoods OTC Swaps, respectively, while the economic risks and returns of the underlying Offer Shares are passed to the CICC FT Ultimate Clients (Gaoyi) and CICC FT Ultimate Clients (Greenwoods), respectively. CICC FT and CICCHKS, one of the Joint Sponsors, Overall Coordinators and Underwriters of the Global Offering, are members of the same group of companies. Accordingly, CICC FT is a connected client of CICCHKS.

UBS Asset Management (Singapore) Limited ("**UBS AM Singapore**") has entered into a cornerstone investment agreement with the Company and UBS AG Hong Kong Branch to subscribe for Offer Shares and will hold the Offer Shares on a discretionary basis for and on behalf of its underlying clients and accounts under the International Offering. UBS AM Singapore is the delegate of the investment manager for and on behalf of its underlying clients and accounts. UBS AG Hong Kong Branch ("**UBS HK**") has been appointed, amongst others, as one of the Overall Coordinators and Underwriters of the Global Offering. UBS AM Singapore and UBS HK are members of the same group of companies. As a result, UBS AM Singapore is a connected client of UBS HK.

We have applied for, and the Stock Exchange has granted, a consent under paragraph 5(1) of Appendix F1 to the Listing Rules to permit each of (i) CICC FT (in connection with Gaoyi OTC Swaps and Greenwoods OTC Swaps) and (ii) UBS AM Singapore (collectively, the

WAIVERS AND EXEMPTIONS

“**Connected Client Cornerstone Investors**”) to participate in the Global Offering as a cornerstone investor on the following basis and conditions as set out in Paragraph 5 of Chapter 4.15 of the Guide for New Listing Applicants:

- (a) any Offer Shares to be allocated to each of the Connected Client Cornerstone Investors will be held on behalf of independent third parties;
- (b) the cornerstone investment agreement of each of the Connected Client Cornerstone Investors does not contain any material terms which are more favorable to them (as the case may be) than those in other cornerstone investment agreements;
- (c) UBS HK has not participated, and will not participate, in the decision-making process or relevant discussions among the Company, the Underwriters and the Overall Coordinators as to whether Offer Shares will be allocated to UBS AM Singapore;
- (d) no preferential treatment has been, nor will be, given to CICC FT or UBS AM Singapore by virtue of their relationship with CICCHKS or UBS HK, respectively, in any allocation of Offer Shares in the International Offering other than the assured entitlement under the relevant cornerstone investment agreements;
- (e) each of CICC FT and UBS AM Singapore confirms that to the best of its knowledge and belief, it has not received and will not receive preferential treatment in the allocation of Offer Shares in the Global Offering as a cornerstone investor by virtue of its relationship with CICCHKS and UBS HK, respectively, other than the assured entitlement under the relevant cornerstone investment agreements;
- (f) each of the Company, the Overall Coordinators, the Connected Client Cornerstone Investors and UBS HK has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide for New Listing Applicants; and
- (g) details of the cornerstone investments and details of the allocations will be disclosed in this prospectus and the allotment results announcement.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

RESTRICTIONS ON OFFER AND SALE OF H SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of Hong Kong Offer Shares to, confirm that he is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the H Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, and without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been publicly offered and sold, and will not be offered and sold, directly or indirectly, in mainland China or the U.S.

CSRC FILING

We have obtained a filing notice dated March 25, 2025 from the CSRC for the Global Offering and the Listing. No other approvals under the PRC laws and regulations are required to be obtained for the listing of the H Shares on the Stock Exchange.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering. For applications under the Hong Kong Public Offering, this prospectus contains the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their respective affiliates or any of our or their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering.

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to us and the Overall Coordinators (for themselves and on behalf of the Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters and subject to the terms and conditions of the International Underwriting Agreement. For further details on the Underwriters and the underwriting arrangements, see “Underwriting.”

Neither the delivery of this prospectus nor any offering, sale, delivery, subscription or acquisition made in connection with the Offer Shares shall, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this prospectus or that the information in this prospectus is correct as of any date subsequent to the date of this prospectus.

For details of the structure of the Global Offering, including its conditions and the arrangements relating to the Offer Size Adjustment Option, the Over-allotment Option and stabilization, see “Structure of the Global Offering.”

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

APPLICATION FOR LISTING OF THE H SHARES ON THE HONG KONG STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option). Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Tuesday, May 20, 2025. Except for the A Shares that have been listed on the ChiNext of the Shenzhen Stock Exchange, certain corporate bonds of our Group listed on the Stock Exchange and our pending application to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares, no part of our Company's Share or debt securities is listed on or dealt in on the Hong Kong Stock Exchange or any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Hong Kong Stock Exchange.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange and our compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Hong Kong Stock Exchange or any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time. All necessary arrangements have been made for the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisers for the details of the settlement arrangements as such arrangements may affect their rights and interests.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

REGISTER OF MEMBERS AND STAMP DUTY

All of the H Shares issued pursuant to applications made in the Global Offering will be registered on our H Share register to be maintained in Hong Kong by our H Share Registrar. Our Company maintains the register of members at our headquarters in mainland China, based on certificates provided by the securities registration institution.

Dealings in the H Shares registered in our H Share Register will be subject to Hong Kong stamp duty.

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

Unless determined otherwise by our Company, dividends payable in Hong Kong dollars in respect of our H Shares will be paid to the Shareholders as recorded on the H Share Register of our Company in Hong Kong and sent by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder of our Company.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisers if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding, disposal of, dealing in or the exercise of any rights in relation to our H Shares. None of our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Lead Managers, the Joint Bookrunners, the Underwriters, the Capital Market Intermediaries, any of our or their affiliates or any of their respective directors, officers, employees, advisers, agents or representatives, or any other persons or parties involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding, disposal of, dealing in, or the exercise of any rights in relation to, our H Shares.

LANGUAGE

If there is any inconsistency between this prospectus and its Chinese translation, the English version of this prospectus shall prevail. The English names of the laws and regulations, government authorities, institutions, natural persons, other entities (including certain of our subsidiaries), facilities, certificates and titles of mainland China included in this prospectus are translations of their Chinese names for identification purposes only. In the event of any inconsistency, the Chinese version shall prevail.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

ROUNDING

Certain amounts and percentage figures, such as share ownership and operating data, included in this prospectus may have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

CURRENCY TRANSLATIONS

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars.

Unless otherwise specified, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB7.20050 to US\$1.00, (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.92891 to HK\$1.00, and (iii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK\$7.75156 to US\$1.00, being the PBOC rates prevailing on the Latest Practicable Date.

No representation is made that any amounts in RMB, Hong Kong dollars or U.S. dollars can be or could have been at the relevant dates converted at the above rate or any other rates or at all.

MARKET SHARE DATA CONVENTION

The statistical and market share information contained in this prospectus has been derived from official government publications and other sources, including information or data provided by GGII. Unless otherwise indicated, the information has not been verified by us independently. This statistical information may not be consistent with other statistical information from other sources within or outside the PRC. While reasonable caution has been made in the process of reproducing the data and statistics extracted from such official government publications or other sources, our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our and their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering make no representation to the appropriateness, accuracy, completeness or reliability of any such statistical and market share information.

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Zeng Yuqun (曾毓群先生)	No. 2 Xingang Road Zhangwan Town Jiaocheng District, Ningde City Fujian Province PRC ^{Note}	Chinese (Hong Kong)
Mr. Pan Jian (潘健先生)	No. 2 Xingang Road Zhangwan Town Jiaocheng District, Ningde City Fujian Province PRC ^{Note}	Chinese (Hong Kong)
Mr. Li Ping (李平先生)	Room 1803, Building 15 Guanyunxuan Community No. 6 Xingang Road Zhangwan Town Jiaocheng District, Ningde City Fujian Province PRC	Chinese
Mr. Zhou Jia (周佳先生)	Room 406, Building 16 Guanyunxuan Community No. 6 Xingang Road Zhangwan Town Jiaocheng District, Ningde City Fujian Province PRC	American

Note: Being the business addresses of Mr. Zeng Yuqun and Mr. Pan Jian. We have applied to the SFC, and the SFC has granted, an exemption from the strict compliance with the requirements under paragraph 6 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. Accordingly, our Company is only required to disclose the business addresses of Mr. Zeng Yuqun and Mr. Pan Jian, instead of their residential addresses. For details, see “Waivers and Exemptions — Disclosure of Executive Directors’ Residential Addresses.”

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Name	Address	Nationality
Dr. Ouyang Chuying (歐陽楚英博士)	Room 402, Unit 1, Building 31 No. 202 Beijing West Road Qingshanhu District, Nanchang City Jiangxi Province PRC	Chinese
Mr. Zhao Fenggang (趙豐剛先生)	Room 1402, Block 1 Fuzhuyuan Shizhuxin Garden No. 18 Hongtu Road, Nancheng Dongguan City Guangdong Province PRC	Chinese

Independent Non-executive Directors

Dr. Wu Yuhui (吳育輝博士)	Room 602 No. 88 South Huizhan Erli Siming District, Xiamen City Fujian Province PRC	Chinese
Mr. Lin Xiaoxiong (林小雄先生)	Room 601 No. 36-1 South Hubin Road Siming District, Xiamen City Fujian Province PRC	Chinese
Dr. Zhao Bei (趙蓓博士)	Room 701 No. 28 Baicheng Beach Xiamen University Siming District, Xiamen City Fujian Province PRC	Chinese

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

SUPERVISORS

Name	Address	Nationality
Mr. Wu Yingming (吳映明先生)	Room 1803, Building 13 Guanyunxuan Community No. 6 Xingang Road Zhangwan Town Jiaocheng District, Ningde City Fujian Province PRC	Chinese
Ms. Feng Chunyan (馮春艷女士)	Room 1405, Unit 2, Block 15 Baoxin City Plaza No. 2 Tianhu East Road Jiaocheng District, Ningde City Fujian Province PRC	Chinese
Dr. Liu Na (柳娜博士)	Room 704, Building 1 Orange Court Goldland Green Town Xiping Village, Nancheng Dongguan City Guangdong Province PRC	Chinese

For further details regarding our Directors and Supervisors, see “Directors, Supervisors and Senior Management.”

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

(in alphabetical order)

China International Capital Corporation

Hong Kong Securities Limited

29/F, One International Finance Centre

1 Harbour View Street

Central

Hong Kong

China Securities (International)

Corporate Finance Company Limited

18/F, Two Exchange Square

8 Connaught Place

Central

Hong Kong

J.P. Morgan Securities (Far East) Limited

28/F, Chater House

8 Connaught Road Central

Hong Kong

Merrill Lynch (Asia Pacific) Limited

55/F, Cheung Kong Center

2 Queen's Road Central

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China Securities (International)

Corporate Finance Company Limited

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**J.P. Morgan Securities (Asia Pacific)
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Merrill Lynch (Asia Pacific) Limited

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(in alphabetical order)

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Morgan Stanley Asia Limited
46/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

UBS AG Hong Kong Branch
52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

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Joint Bookrunners,
Joint Lead Managers and
Capital Market Intermediaries**
(in alphabetical order)

BNP Paribas Securities (Asia) Limited
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Limited**
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181 Queen's Road Central
Hong Kong

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As to PRC laws

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Receiving Bank(s)**Bank of China (Hong Kong) Limited**

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Hong Kong

CMB Wing Lung Bank Limited

45 Des Voeux Road Central
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CORPORATE INFORMATION

Registered Office in mainland China and Headquarters	No. 2 Xingang Road, Zhangwan Town Jiaocheng District, Ningde City Fujian Province PRC
Principal Place of Business in Hong Kong	13/F, LKF29 29 Wyndham Street Central Hong Kong
Company's Website	<u>www.catl.com</u> <i>(Information contained in this website does not form part of this prospectus)</i>
Authorized Representatives	Mr. Pan Jian No. 2 Xingang Road Zhangwan Town Jiaocheng District, Ningde City Fujian Province PRC Mr. Jiang Li No. 2 Xingang Road Zhangwan Town Jiaocheng District, Ningde City Fujian Province PRC
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Strategy Committee	Mr. Zeng Yuqun <i>(Chairperson)</i> Mr. Pan Jian Mr. Li Ping Mr. Zhou Jia Dr. Ouyang Chuying Mr. Zhao Fenggang

CORPORATE INFORMATION

Audit Committee	Dr. Wu Yuhui (<i>Chairperson</i>) Mr. Lin Xiaoxiong Dr. Zhao Bei
Nomination Committee	Mr. Lin Xiaoxiong (<i>Chairperson</i>) Dr. Wu Yuhui Mr. Zeng Yuqun
Remuneration and Appraisal Committee	Dr. Zhao Bei (<i>Chairperson</i>) Mr. Lin Xiaoxiong Mr. Li Ping
H Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Principal Banks	Industrial and Commercial Bank of China Ningde Jiaocheng Sub-branch No. 51 South Jiaocheng Road Jiaocheng District, Ningde City Fujian Province PRC China Merchants Bank Nancheng Sub-branch No. 18 Hongbei Road, Nancheng Street Dongguan City Guangdong Province PRC HSBC Bank Fuzhou Branch No. 06-09, 1st Floor No. 363 Middle Jiangbin Avenue Aofeng Street Taijiang District, Fuzhou City Fujian Province PRC Standard Chartered Bank Fuzhou Branch Unit 1505, Xinhe Plaza No. 137 Wusi Road Gulou District, Fuzhou City Fujian Province PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this prospectus are derived from various official government publications, market research and other publicly available sources, and other information sourced from independent suppliers, and from the independent industry report prepared by GGII. The information from official government sources has not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of their respective directors and advisors, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy.

In recent years, in response to the challenges posed by global climate change and promoting sustainable development, many countries have formulated strategies and policy initiatives to drive clean energy transition and promote a low-carbon economy. According to Net Zero Tracker, 195 jurisdictions worldwide have declared and adopted Nationally Determined Contributions¹, with a strong emphasis on decarbonizing key sectors such as power, transportation and industrials. Energy systems in these countries are evolving to become greener, more efficient and intelligent.

On the power supply side, renewable energy such as wind and solar power have witnessed rapid expansion globally, with their share of total installed capacity continuously increasing. Energy storage system is set to play an essential role in providing stability and flexibility in power systems as renewables scale up. On the grid side, as power grid becomes more flexible, digitalized and intelligent, its capacity to integrate and accommodate renewable energy is continuously improving. On the load side, the NEV penetration has surged in recent years, with electrification extending further to sectors such as machinery, vessels and aircraft, advancing the transition toward green mobility in phases. Meanwhile, industrial electrification is deepening, driving the adoption of energy storage solutions in commercial and industrial applications to facilitate emission reduction. Upon multi-energy complementarity, generation-grid planning, and source-load interaction, integrated energy system is promoting low-carbon and clean energy transition of the whole society.

High-quality lithium-ion battery, as core energy storage carrier, with advantages such as high energy density, long life cycle, excellent stability and safety features, plays a pivotal role in new electricity system and low-carbon society. A lithium-ion battery primarily consists of cathode, anode, separator, and electrolyte. Its working principle is as follows: during charging, lithium ions migrate from the cathode to the anode, storing electrical energy; conversely, during discharging, lithium ions migrate from the anode to the cathode, releasing the stored electrical energy. The various performance indicators of lithium-ion batteries involve strong interconnection among physical fields such as electrochemistry and thermodynamics, and

¹ Nationally Determined Contributions (NDCs) are national climate action plans by each country under the Paris Agreement, an international treaty on climate change including commitments from each country to reduce emissions and work together to adapt to the impacts of climate change.

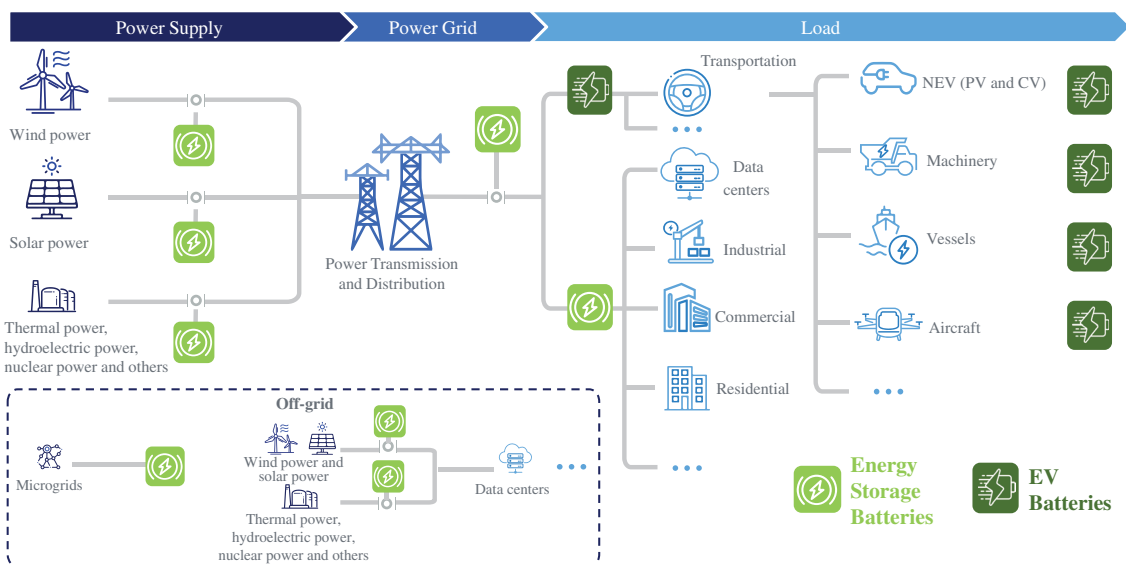
INDUSTRY OVERVIEW

research on the intrinsic characteristics of materials, structure design, and engineering manufacturing spans micro-, meso-, and macro-scales. Furthermore, the performance indicators require comprehensive consideration of factors such as application scenario requirements. For example, energy density is mainly influenced by the specific capacity of cathode and anode materials and voltage platform, system structure design, and volumetric utilization efficiency. Life cycle is primarily affected by material stability, side reaction control, and levels of manufacturing technologies. Charging and discharging rate is mainly influenced by factors such as battery material conductivity and electrode structure design. Overall, the design and manufacturing of lithium-ion batteries result from a comprehensive balance of multidimensional performance metrics. Focusing solely on improving a single performance indicator may affect the performance of other indicators.

Lithium-ion batteries are primarily classified by application into three categories: EV batteries, ESS batteries, and consumer electronics batteries. Depending on applications, the general requirements for EV batteries primarily include (1) a life cycle exceeding 1,500 times for ternary batteries or exceeding 4,000 times for LFP batteries, (2) a pack-level energy density exceeding 125Wh/kg, and (3) a C-rate exceeding 1C. For ESS batteries, the general requirements primarily include (1) a longer life cycle and useful life, (2) a stronger environmental adaptability and enhanced safety, and (3) a C-rate exceeding 1C for ESS batteries used in frequency regulation and other purpose.

The mass adoption of lithium-ion battery-powered applications has led to the development of supporting services, electrification ecosystem and infrastructure, such as high-efficiency battery charging and swapping and intelligent energy management solutions.

The Omnipresent Application of Lithium-ion Batteries in Low-Carbon and Clean Energy Transition



Note: Others include geothermal energy, biomass energy, etc.

INDUSTRY OVERVIEW

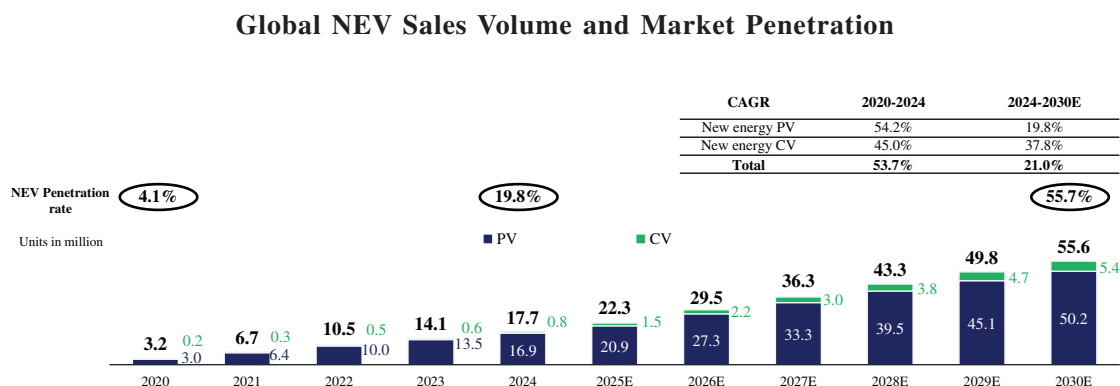
OVERVIEW OF THE EV BATTERY INDUSTRY

EV batteries are designed to supply energy to power systems in mobility applications. EV batteries can be primarily classified by cathode materials into ternary batteries and LFP batteries. According to the GGII Report, the combined market share of ternary batteries and LFP batteries exceeded 99% of global EV battery shipments in 2024, making them the mainstream EV battery products in the current market. Ternary cathode materials theoretically offer a higher battery energy capacity per gram, enabling greater energy density, higher charging and discharging efficiency, and wide operating temperature range, while LFP batteries exhibit better thermal stability and longer life cycle. Beyond these mainstream technologies, the industry continues to advance through ongoing research and innovation, driving breakthroughs in emerging battery technologies such as sodium-ion batteries, condensed batteries, thereby expanding potential application scenarios.

NEV represent the largest end market for EV batteries globally, which can be categorized into new energy PV and new energy CV. The wide adoption of NEV contributes to the low-carbon development of transportation. In addition, NEV also enhance the overall user experience through improvements in dynamic performance and intelligent vehicle systems. The increasing NEV penetration has driven the growth of global EV battery shipments. Currently, new energy PV primarily utilize both ternary batteries and LFP batteries, while new energy CV mainly use LFP batteries.

Overview of the Global NEV Market

Global NEV Market by Region



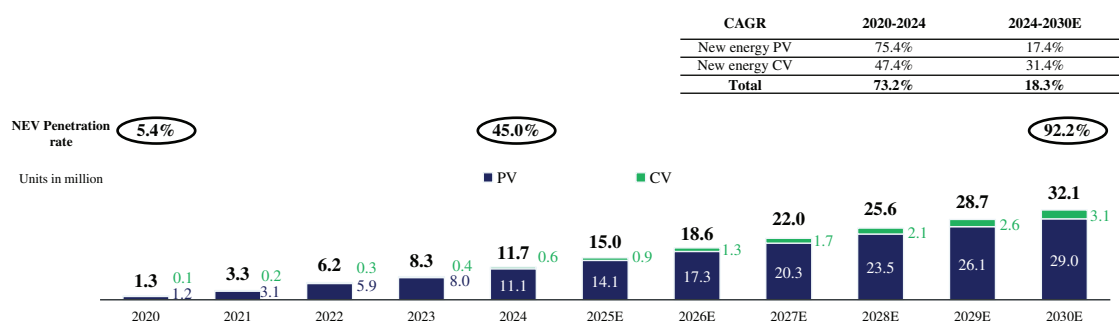
Source: International Organization of Motor Vehicle Manufacturers, China Association of Automobile Manufacturers, European Automobile Manufacturers' Association, GGII Report

Note: The NEV penetration rate is calculated by dividing the annual sales volume of NEV by total vehicle sales volume for the same year. Similarly, the penetration rate of new energy PV/CV is calculated by dividing the annual sales volume of new energy PV/CV by the sales volume in their category for the same year.

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The global NEV demand continues to grow. The global sales volume of NEV increased from 3.2 million units in 2020 to 17.7 million units in 2024, and is expected to further increase to 55.6 million units in 2030, representing a CAGR of 21.0% from 2024 to 2030. The global NEV penetration rate is expected to increase from 19.8% in 2024 to 55.7% in 2030. Specifically, the penetration rate of new energy PV is expected to increase from 23.2% in 2024 to 61.0% in 2030, and the penetration rate of new energy CV is expected to increase from 4.8% in 2024 to 31.0% in 2030.

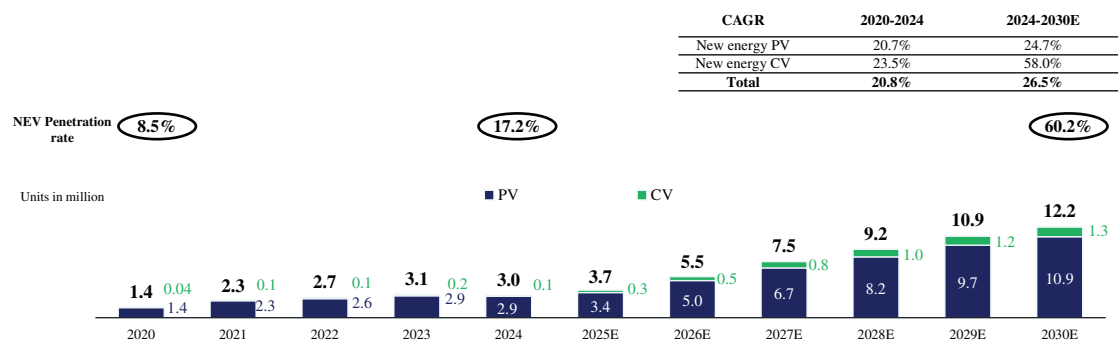
NEV Sales Volume and Market Penetration in China



Source: China Association of Automobile Manufacturers, GGII Report

China is the world's largest NEV market by sales volume in 2024, with a total of 11.7 million units sold, and the sales volume is expected to increase to 32.1 million units in 2030, representing a CAGR of 18.3% from 2024 to 2030. The NEV penetration rate in China reached 45.0% in 2024 and is expected to increase to 92.2% in 2030. Specifically, the penetration rate of new energy PV in China is expected to increase from 48.5% in 2024 to 94.5% in 2030, and the penetration rate of new energy CV is expected to increase from 19.4% in 2024 to 75.3% in 2030.

NEV Sales Volume and Market Penetration in Europe

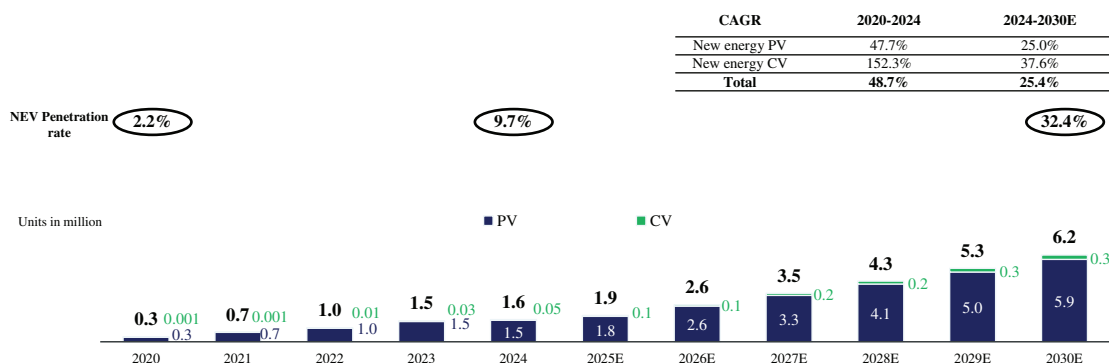


Source: International Organization of Motor Vehicle Manufacturers, European Automobile Manufacturers' Association, GGII Report

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In Europe, the NEV penetration rate reached 17.2% in 2024, and the sales volume of NEV is expected to increase to 12.2 million units in 2030, with a CAGR of 26.5% from 2024 to 2030. The NEV penetration rate in Europe is expected to increase to 60.2% in 2030. Specifically, the penetration rate of new energy PV is expected to increase from 20.3% in 2024 to 64.0% in 2030, and the penetration rate of new energy CV is expected to increase from 2.7% in 2024 to 39.8% in 2030.

NEV Sales Volume and Market Penetration in the United States

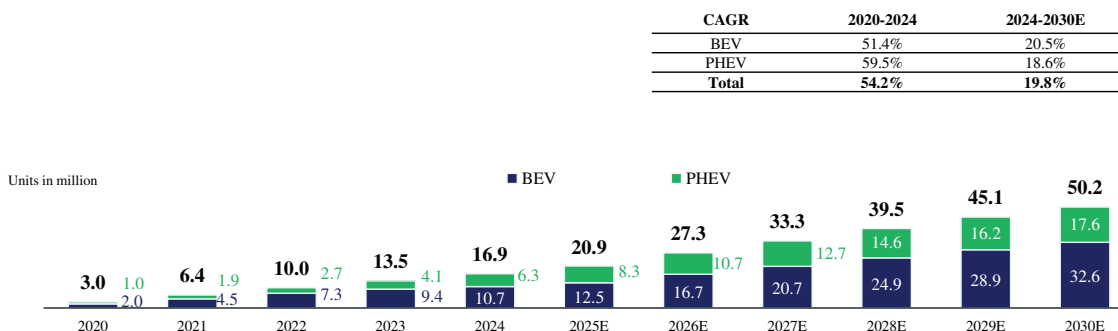


Source: International Organization of Motor Vehicle Manufacturers, GGII Report

In the United States, the NEV penetration rate reached 9.7% in 2024, and the sales volume of NEV is expected to increase to 6.2 million units in 2030, with a CAGR of 25.4% from 2024 to 2030. The NEV penetration in the United States is expected to increase to 32.4% in 2030. Specifically, the penetration rate of new energy PV is expected to increase from 12.2% in 2024 to 39.0% in 2030, and the penetration rate of new energy CV is expected to increase from 1.2% in 2024 to 7.6% in 2030.

Global NEV Market by PV and CV

Global New Energy PV Sales Volume



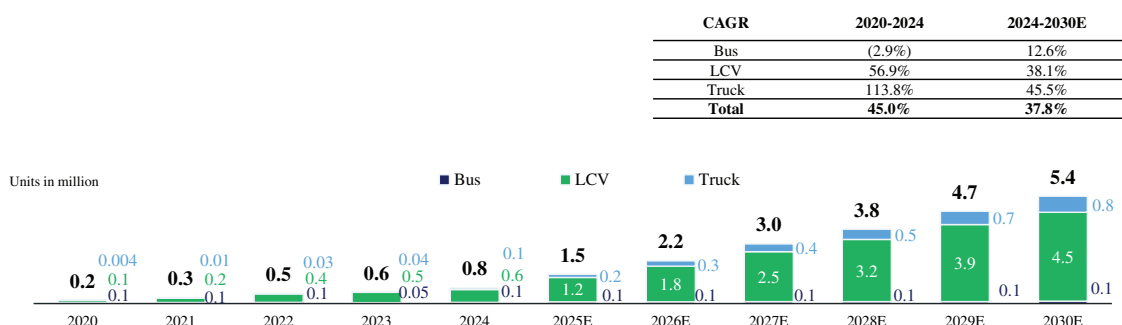
Source: GGII Report

Note: PHEV include REV

INDUSTRY OVERVIEW

New energy PV accounted for approximately 95% of total NEV sales volume in 2024. They can be categorized by powertrain type into BEV and PHEV. In 2024, the average battery energy capacity per vehicle was 63 kWh for BEV and 24 kWh for PHEV. The global sales volume of new energy PV reached 16.9 million units in 2024 and is expected to increase to 50.2 million units in 2030, representing a CAGR of 19.8% from 2024 to 2030. Specifically, the global sales volume of BEV are expected to increase from 10.7 million units in 2024 to 32.6 million units in 2030, with a CAGR of 20.5%, and its market share in new energy PV is expected to increase from 62.9% in 2024 to 65.0% in 2030. The global sales volume of PHEV is expected to increase from 6.3 million units in 2024 to 17.6 million units in 2030 with a CAGR of 18.6%.

Global New Energy CV Sales Volume



Source: GGII Report

New energy CV primarily include new energy bus, new energy LCV and new energy truck. The new energy CV sector is experiencing rapid growth driven by multiple factors including the support of carbon emission reduction policies, enhanced cost effectiveness, technological advancements, and NEV infrastructure development. CV manufacturers are expediting their transition to new energy and the number of new energy CV models is rapidly increasing. The export of high-quality Chinese new energy CV has further stimulated the development of overseas new energy CV markets. The mass adoption and technological improvements have boosted the cost effectiveness of new energy CV. With more applications of high-capacity battery technologies, the driving range of new energy CV is increasing, and their cost effectiveness is anticipated to be further enhanced. Moreover, the ongoing enhancement of battery charging and swapping infrastructure for new energy CV has also improved the efficiency and flexibility of replenishing solutions.

Driven by the above-mentioned factors, the global sales volume of new energy CV increased from 0.2 million units in 2020 to 0.8 million units in 2024 and is expected to increase to 5.4 million units in 2030, representing a CAGR of 37.8% from 2024 to 2030. In 2024, total global CV sales volume reached 16.5 million units, while new energy CV accounted for only 4.8% of the market, highlighting the significant growth potential in this segment. The penetration rate of new energy CV is expected to increase to 31.0% in 2030. China is currently the largest market for new energy CV. The penetration rate of new energy CV in China is

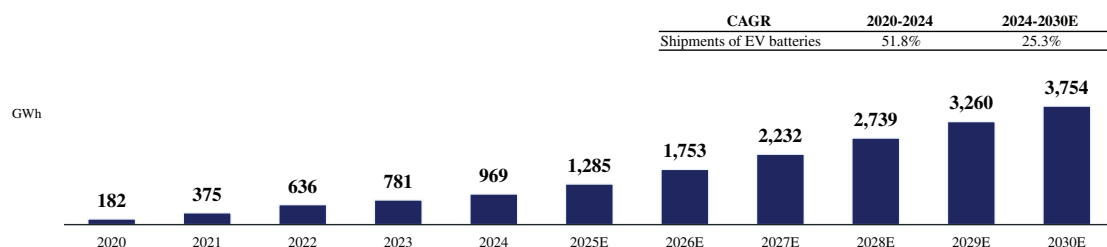
INDUSTRY OVERVIEW

expected to increase from 19.4% in 2024 to 75.3% in 2030. Specifically, the penetration rate of new energy bus is expected to remain at 55.0% to 60.0%; the penetration rate of new energy LCV is expected to increase from 19.5% in 2024 to 79.5% in 2030; the penetration rate of new energy truck is expected to increase from 13.6% in 2024 to 59.6% in 2030.

Overview of Global EV Battery Market

EV Battery Shipments by Region

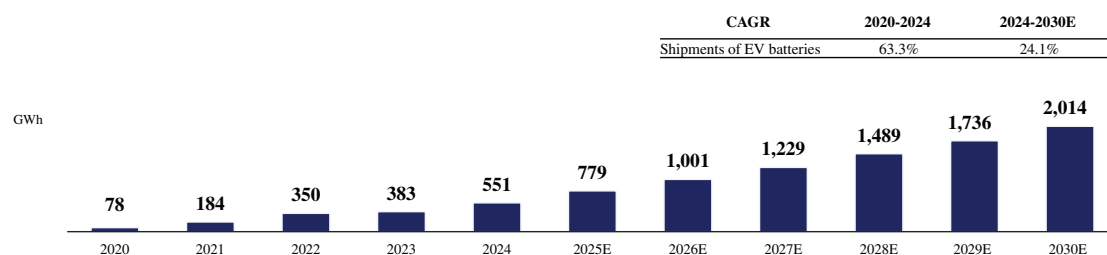
Global Shipments of EV Batteries



Source: GGII Report

The growth in sales volume of NEV is driving and is expected to continue propelling a sustained increase in global EV battery shipments. The global EV battery shipments increased from 182 GWh in 2020 to 969 GWh in 2024 with a CAGR of 51.8%, and are expected to reach 3,754 GWh in 2030 with a CAGR of 25.3% from 2024 to 2030.

Shipments of EV Batteries in China

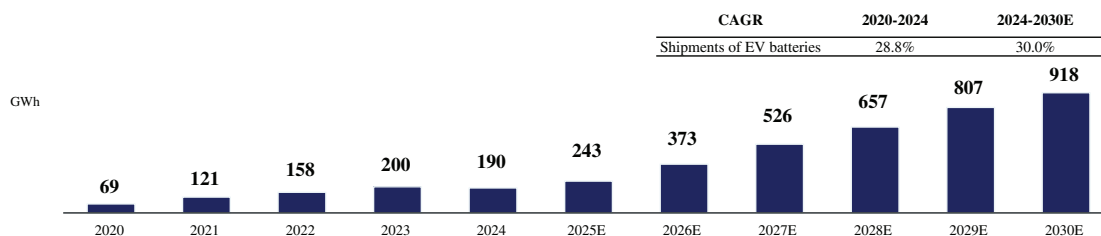


Source: GGII Report

INDUSTRY OVERVIEW

In recent years, China's EV battery market has experienced rapid growth and become the world's largest EV battery market. China's EV battery shipments increased from 78 GWh in 2020 to 551 GWh in 2024 with a CAGR of 63.3%, and are expected to grow to 2,014 GWh in 2030 with a CAGR of 24.1% from 2024 to 2030.

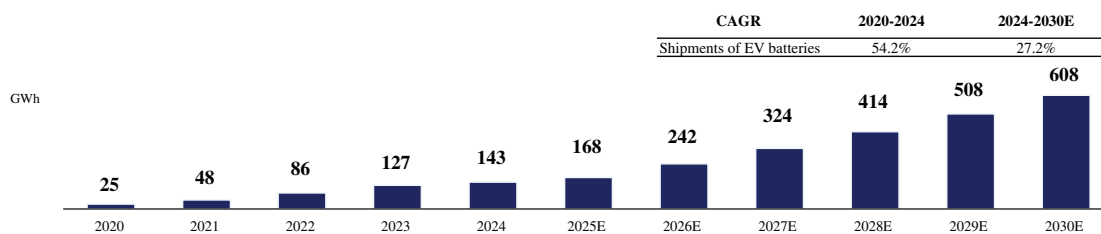
Shipments of EV Batteries in Europe



Source: GGII Report

EV battery shipments in Europe are expected to grow from 190 GWh in 2024 to 918 GWh in 2030, with a CAGR of 30.0%.

Shipments of EV Batteries in the United States



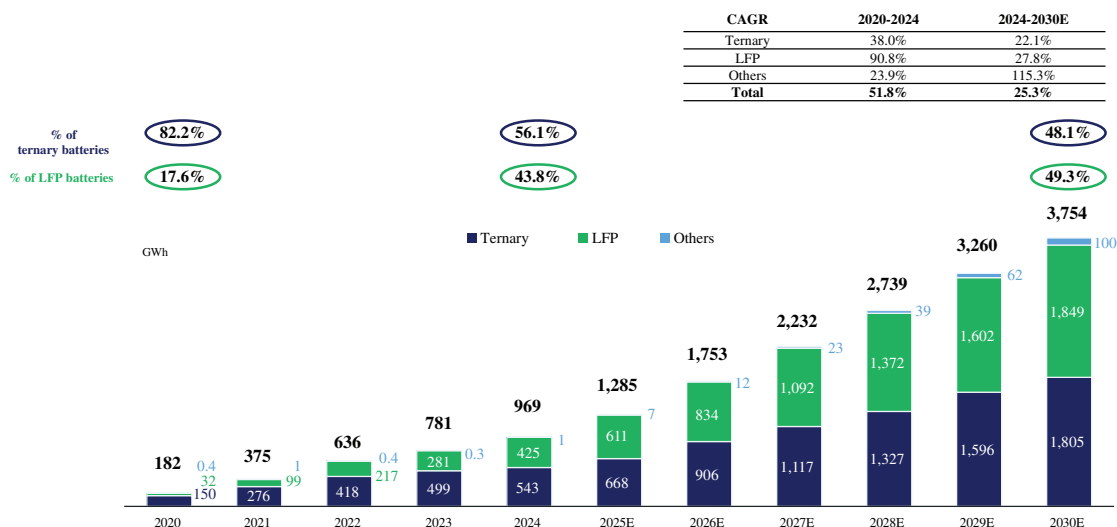
Source: GGII Report

EV battery shipments in the United States are expected to grow from 143 GWh in 2024 to 608 GWh in 2030, with a CAGR of 27.2%.

INDUSTRY OVERVIEW

EV Battery Shipments by Cathode Chemistry

Global Shipments of EV Batteries by Cathode Chemistry



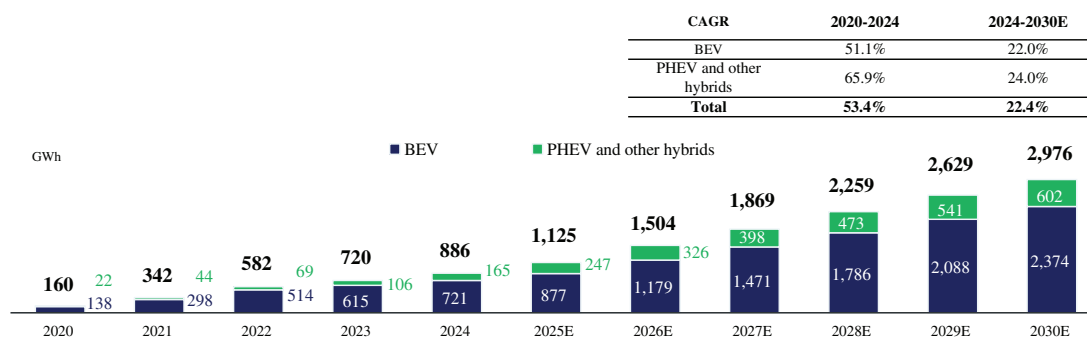
Source: GGII Report

Note: Others include sodium-ion batteries and others

In general, ternary batteries offer higher battery energy density, higher charging and discharging efficiency, and higher recycling value. On the other hand, LFP batteries generally have advantages like better thermal stability and longer life cycle. The global shipments of ternary batteries increased from 150 GWh in 2020 to 543 GWh in 2024 with a CAGR of 38.0%, and are expected to reach 1,805 GWh in 2030 with a CAGR of 22.1% from 2024 to 2030, accounting for 48.1% of global EV battery shipments in 2030. The global shipments of LFP batteries increased from 32 GWh in 2020 to 425 GWh in 2024 with a CAGR of 90.8%, and are expected to reach 1,849 GWh in 2030 with a CAGR of 27.8% from 2024 to 2030. Driven by the improved competitiveness of LFP batteries based on enhanced battery performance and increased efficiency of battery system integration, the global market share of LFP batteries increased from 17.6% in 2020 to 43.8% in 2024, and is expected to reach 49.3% in 2030.

EV Battery Shipments by PV and CV

Global Shipments of EV Batteries for PV

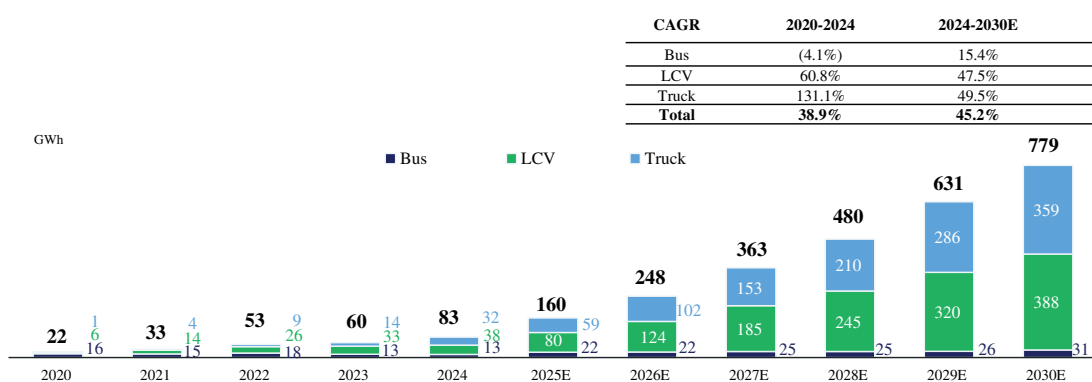


Source: GGII Report

INDUSTRY OVERVIEW

The global shipments of EV batteries for PV increased from 160 GWh in 2020 to 886 GWh in 2024, with a CAGR of 53.4%, and are expected to reach 2,976 GWh in 2030. In particular, the shipments of EV batteries for BEV, which feature higher battery energy capacity per vehicle compared to PHEV, are expected to grow from 721 GWh in 2024 to 2,374 GWh in 2030 with a CAGR of 22.0%, while the shipments of EV batteries for PHEV and other hybrids are expected to increase from 165 GWh in 2024 to 602 GWh in 2030 with a CAGR of 24.0%.

Global Shipments of EV Batteries for CV



Source: GGII Report

The global shipments of EV batteries for new energy CV increased from 22 GWh in 2020 to 83 GWh in 2024 with a CAGR of 38.9%, and are expected to reach 779 GWh in 2030, with a CAGR of 45.2% from 2024 to 2030. In particular, the shipments of EV batteries for E-Bus are expected to grow from 13 GWh in 2024 to 31 GWh in 2030 with a CAGR of 15.4%; the shipments of EV batteries for E-LCV are expected to increase from 38 GWh in 2024 to 388 GWh in 2030 with a CAGR of 47.5%; and the shipments of EV batteries for E-Truck are expected to increase from 32 GWh in 2024 to 359 GWh in 2030 with a CAGR of 49.5%.

Growth Drivers for the EV Battery Market

Rapid Development of the NEV Market: The accelerating electrification of vehicles has contributed to the rapid growth in the EV battery market. This increasing penetration of NEV is driven by the following factors:

- Rapid increase in available NEV models:** The global automobile industry is transitioning toward electrification. Automakers have continuously increased their investments in the R&D and production of NEV, leading to a rapid increase in the number of available NEV models. According to the GGII Report, in 2024, the number of new energy PV models available for sale worldwide exceeded 750 and is expected to reach over 1,500 in 2030; in 2024, the number of new energy CV models available for sale worldwide is approximately 3,000 and is expected to reach over 7,000 in 2030.

INDUSTRY OVERVIEW

- ***Advancement in intelligence:*** The electrical architecture of NEV is more adaptable to the hardware and software systems required for intelligent vehicles. With continuous advancement and wide application of technologies such as smart cockpits and autonomous driving, user experience has significantly improved. Smart cockpit technology enables intelligent human-machine interaction, high-definition displays with immersive experiences, and multimedia interconnectivity, comprehensively enhancing the end-user experience. According to the GGII Report, by 2030, global sales of new energy PV equipped with smart cockpits are expected to reach approximately 43 million, accounting for 85% of the total sales volume of new energy PV. In terms of autonomous driving, by 2030, approximately 38 million new energy PV to be sold globally will feature L2 or higher technologies, accounting for 76% of the total sales volume of new energy PV. As L3 and above autonomous driving technologies mature, autonomous NEV will gradually enter commercialization, further boosting demand for NEV in the future.
- ***Continuous improvement of NEV infrastructure:*** The scale of global battery charging and swapping infrastructure has expanded significantly. The increasingly well-developed charging and swapping network for NEV has significantly enhanced the convenience of using NEV. According to the GGII Report, installed charging piles for new energy PV worldwide exceeded 50 million by the end of 2024, more than three times the number by the end of 2020, among these, the number of public fast-charging piles reached approximately 3 million, and is expected to reach 10 million by the end of 2030; the number of charging piles for E-Truck worldwide reached approximately 30,000, and is expected to reach approximately 150,000 by the end of 2030. In addition, the promotion and adaption of battery-swapping modes have further improved the efficiency and flexibility of NEV replenishing solutions. By the end of 2024, there were over 5,000 battery-swapping stations for new energy PV worldwide, more than seven times the number by the end of 2020, and is expected to exceed 20,000 by the end of 2030; there were approximately 1,000 battery-swapping stations for E-Truck worldwide, and it is expected to increase to over 9,000 in 2030. Increasing intelligent charging piles and battery-swapping stations can realize two-way interaction with the power grid and promote the development of V2G, which can reduce the impact of concentrated charging of NEV on the power grid, and further improve the flexibility of the power grid.
- ***Improved cost effectiveness:*** The continuous advancement in NEV technology, the maturity of the supply chain, and economies of scale have steadily reduced NEV purchase costs. Meanwhile, electricity costs and maintenance expenses of NEV during usage period are significantly lower than those for traditional fuel vehicles, making NEV more attractive to end users. According to the GGII Report, E-Bus, E-LCV and E-Truck used for urban and short-distance transportation scenarios in China have better cost effectiveness in terms of TCO (total cost of ownership).

INDUSTRY OVERVIEW

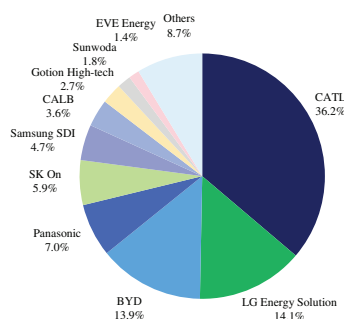
Gradual Increase in Battery Energy Capacity per Vehicle: According to the GGII Report, for passenger vehicles in 2024, the global average battery energy capacity per vehicle for BEV and PHEV was 63 kWh and 24 kWh, respectively, and is expected to reach 68 kWh and 32 kWh in 2030, respectively. Compared with new energy PV, E-Bus and E-Truck have a higher battery energy capacity per vehicle. In 2024, the global average battery energy capacity per vehicle for E-Bus, E-LCV and E-Truck was 199 kWh, 54 kWh, and 349 kWh, respectively, which are expected to increase to 230 kWh, 80 kWh, and 410 kWh in 2030, respectively. The increase in the battery energy capacity per vehicle has contributed to the growth in EV battery shipments.

Emerging Application Scenarios: With technological advancement and innovation, EV batteries have seen continuous improvements in energy density, life cycle, charge-discharge rate, safety and reliability. Their applications have gradually expanded to emerging fields such as machinery, vessels and aircraft, further driving demand in the EV battery market.

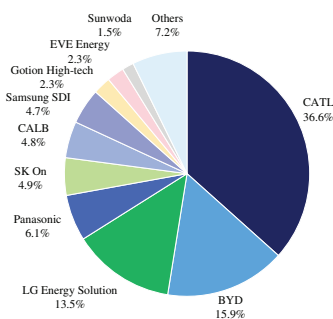
Competitive Landscape of EV Battery Market

Major players in the global EV battery market include companies from China, South Korea, Japan, among others, with a relatively high market concentration due to significant barriers to entry. Based on EV battery usage volume in 2024, the top five and top ten EV battery companies accounted for 74.7% and 89.4% of the global market, respectively. Leading companies dominate the industry, leveraging their technological innovation, strengths in scale and capital resources, customer relationships and supply chain management capabilities.

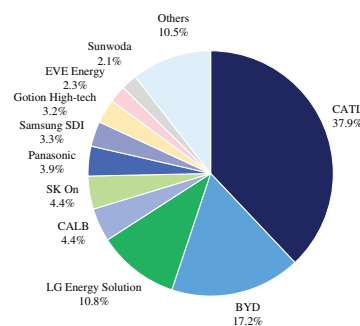
Global EV Battery Market Share in 2022



Global EV Battery Market Share in 2023



Global EV Battery Market Share in 2024



Source: GGII Report, SNE Research

OVERVIEW OF THE ESS BATTERY INDUSTRY

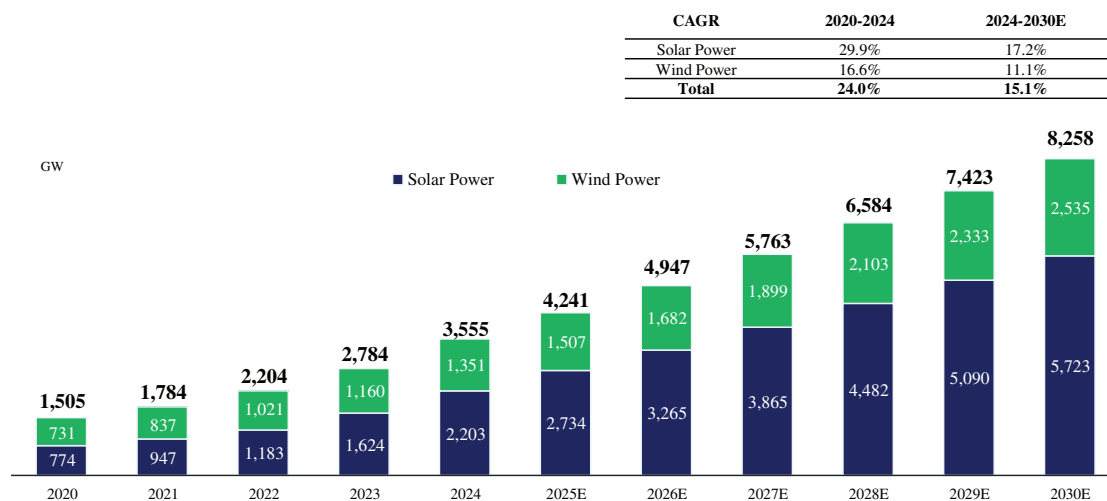
Electrochemical energy storage, exemplified by lithium-ion batteries, enables the storage, conversion, and utilization of electrical energy, with a vital role in stabilizing power output, peak-shaving and valley-filling, as well as regulation of system frequency. Currently, electrochemical energy storage systems mainly use LFP batteries. ESS batteries can be used for FTM energy storage and BTM energy storage based on their application scenarios. FTM energy storage offers a wide array of services for the power system. For example: (1) FTM energy storage ensures power generation capacity, maintains grid stability, and improves renewable energy integration. Wind and solar power have become the primary approach of global clean energy transformation, however, their power generation are unstable and volatile. FTM energy storage can store or release wind and solar power generated according to the grid capacity and the power demand, achieving flexibility in energy release; (2) FTM energy storage can charge during low-power-demand period and discharge during peak-power-demand period to ensure power supply and demand balance; (3) FTM energy storage can alleviate grid congestion by storing power that cannot be transmitted when the grid is clogged and releasing such power when the grid load is below capacity. BTM energy storage encompasses various applications, including industrial and commercial energy storage, data center energy storage, residential energy storage, and telecommunications energy storage, primarily serving functions include: (1) BTM energy storage can provide users with stable and reliable power supply; (2) BTM energy storage can charge and discharge during off-peak-rate period and peak-rate period, respective, to save electricity expenses; (3) BTM energy storage can be used as an emergency backup to reduce the impact of sudden power restriction and blackout, and (4) BTM energy storage can supply power during peak-power-demand period and reduce the demand for transformer capacity expansion. Additionally, advancements in energy storage technology and integrated applications have led to the development of innovative power system applications such as microgrids and virtual power plants.

INDUSTRY OVERVIEW

The energy storage sector is still in the early stage of development. It receives guidance and support from various countries worldwide through top-level policy planning, improvements in electricity market, and the establishment of incentive mechanisms. By advancing and optimizing various market mechanisms, including the electricity spot market, medium and long-term market, ancillary service market and capacity market, the energy storage industry anticipates more diversified profitability models from multiple revenue sources. In recent years, along with the low-carbon transition and continuously increasing penetration of renewable energy of the power industry, regions like China and Europe have seen a general rise in peak-valley price difference, with possibility of further widening in the future. This trend expands the potential for energy storage in peak-shaving and valley-filling and price arbitrage, as the business model of energy storage gradually mature. Furthermore, with the robust development of intelligent application, computing power and electricity demands of data centers have increased significantly. Guided by the carbon reduction goals of technology companies and data center operators, renewable energy paired with ESS has become an effective solution to meet data centers' substantial urgent new electricity demands, ensuring a stable, low-carbon energy supply for their operations.

Overview of the Global Renewable Energy Market (Wind and Solar Power)

Global Cumulative Installed Capacity of Wind and Solar Power

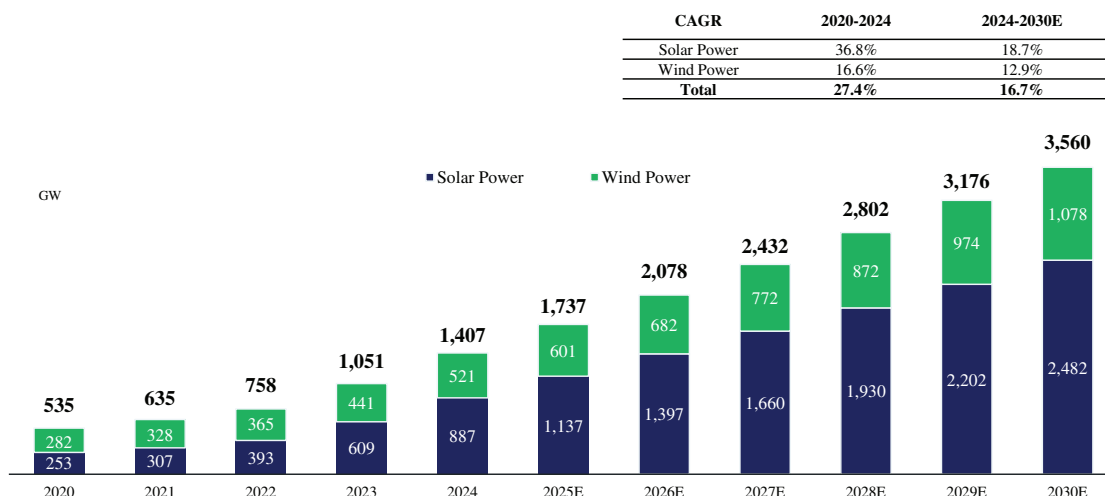


Source: International Energy Agency, DNV, GGII Report

INDUSTRY OVERVIEW

Global cumulative installed capacity of wind and solar power grew from 1,505 GW in 2020 to 3,555 GW in 2024 with a CAGR of 24.0%, and is expected to reach 8,258 GW in 2030, with a CAGR of 15.1% from 2024 to 2030. Wind and solar power is estimated to account for 2.5 TW and 5.7 TW of the global cumulative installed power capacity in 2030, representing 16% and 36% of the total, respectively.

Cumulative Installed Capacity of Wind and Solar Power in China



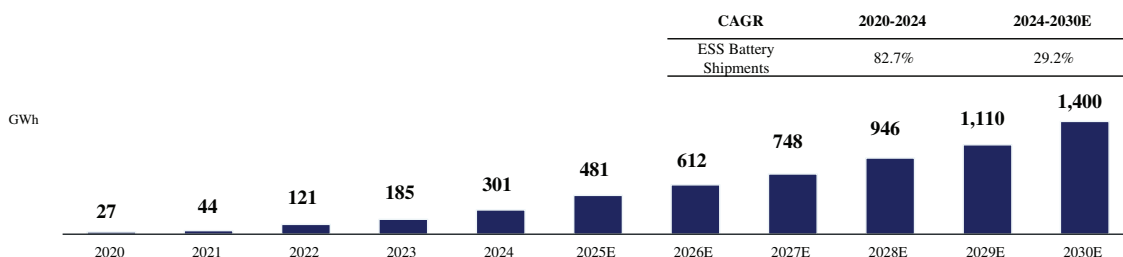
Source: NEA, China Photovoltaic Industry Association, GGII Report

The cumulative installed capacity of wind and solar power in China reached 1,407 GW in 2024, accounting for 40% of the global cumulative installed power capacity, with a CAGR of 27.4% from 2020 to 2024. It is expected to further increase to 3,560 GW in 2030 with a CAGR of 16.7% from 2024 to 2030. Wind and solar power is estimated to account for 1.1 TW and 2.5 TW of China's cumulative installed power capacity in 2030, accounting for 18% and 42% of the total, respectively.

Overview of the Global ESS Battery Market

ESS Battery Shipments by Region

Global ESS Battery Shipments

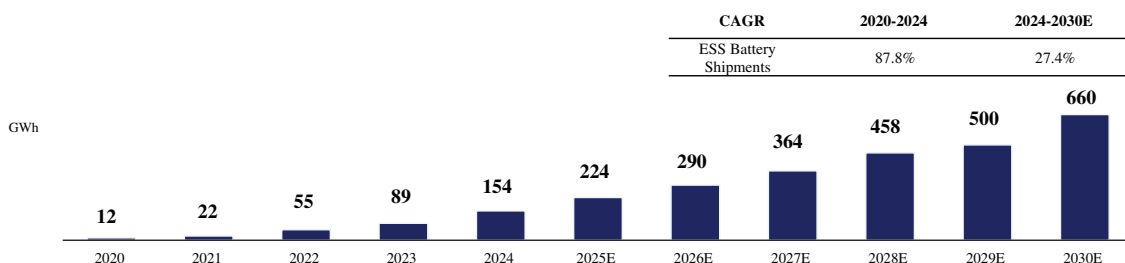


Source: GGII Report

INDUSTRY OVERVIEW

The cumulative installed capacity of wind and solar power globally continues to grow, highlighting the significant regulatory role of FTM energy storage. Combined with the widespread application of BTM energy storage in industrial and commercial application and data centers, the global ESS battery shipments has grown from 27 GWh in 2020 to 301 GWh in 2024 with a CAGR of 82.7%, and are expected to increase to 1,400 GWh in 2030, with a CAGR of 29.2% from 2024 to 2030.

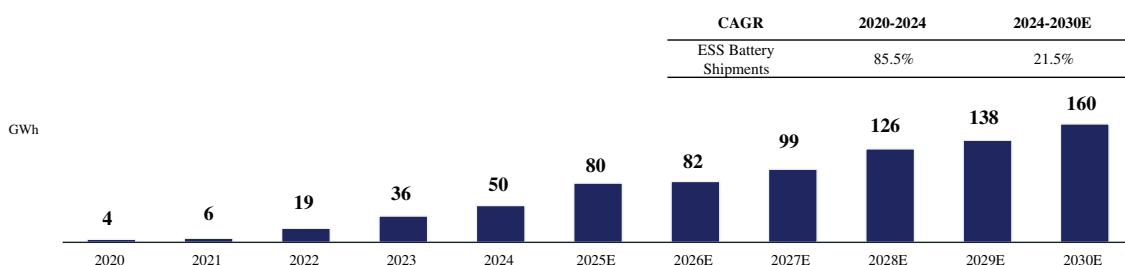
ESS Battery Shipments in China



Source: GGII Report

Supported by policies promoting energy conservation, carbon reduction and renewable energy, the cumulative installed capacity of wind and solar power in China has been consistently increasing. As an important flexible adjustment resources, the demand for energy storage is rapidly growing. The ESS battery shipments in China grew from 12 GWh in 2020 to 154 GWh in 2024, with a CAGR of 87.8%, and are expected to increase to 660 GWh in 2030, with a CAGR of 27.4% from 2024 to 2030.

ESS Battery Shipments in Europe

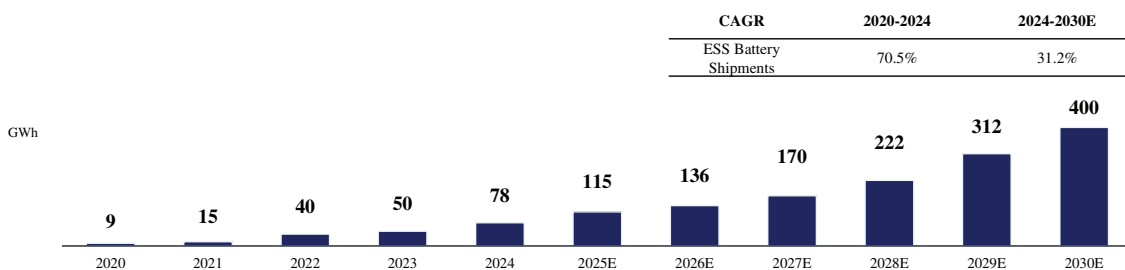


Source: GGII Report

INDUSTRY OVERVIEW

In Europe, with the transformation of clean energy and the promotion of power reform, the cumulative installed capacity of wind and solar power in Europe has been increasing, and the FTM and BTM energy storage markets have experienced rapid development. ESS battery shipments in Europe are expected to increase from 50 GWh in 2024 to 160 GWh in 2030, with a CAGR of 21.5%.

ESS Battery Shipments in the United States

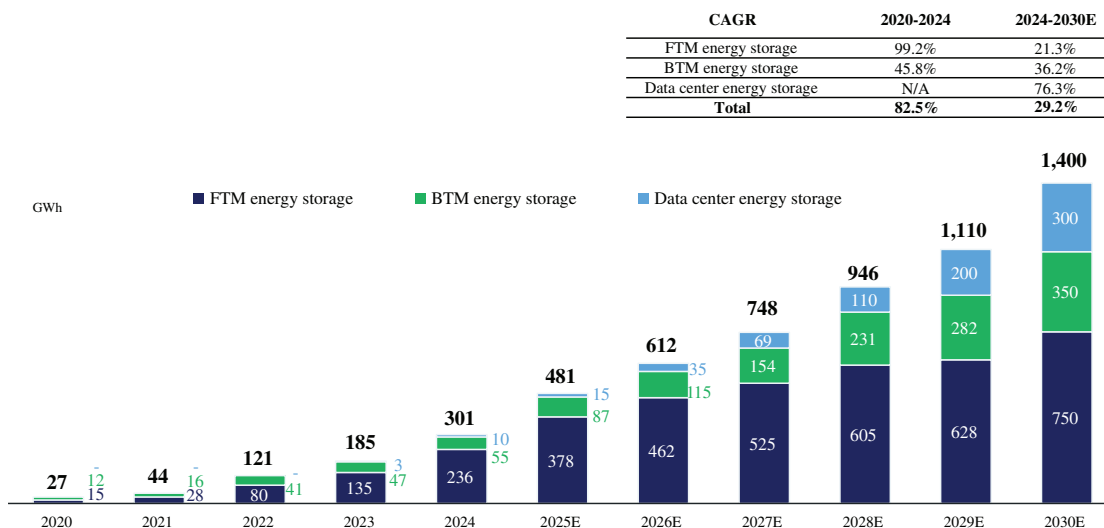


Source: GGII Report

In the United States, driven by factors such as policy reforms to accelerate the process of connecting renewable energy to the power grid and increasing power demand from data centers, the installation of energy storage in the United States has accelerated. In the United States, ESS battery shipments are expected to increase from 78 GWh in 2024 to 400 GWh in 2030, with a CAGR of 31.2%.

ESS Battery Shipments by Application

Global ESS Battery Shipments by Application



Source: GGII Report

Note: BTM energy storage mainly includes industrial and commercial energy storage, and residential energy storage

INDUSTRY OVERVIEW

In 2024, FTM energy storage accounted for over 75% of global ESS battery shipments. The shipments of FTM energy storage batteries grew from 15 GWh in 2020 to 236 GWh in 2024, with a CAGR of 99.2%, and are expected to increase to 750 GWh in 2030, with a CAGR of 21.3% from 2024 to 2030.

The shipments of BTM ESS batteries grew from 12 GWh in 2020 to 55 GWh in 2024, with a CAGR of 45.8%, and are expected to increase to 350 GWh in 2030, with a CAGR of 36.2% from 2024 to 2030. In the coming years, the shipments of ESS batteries in data centers are expected to increase from 10 GWh in 2024 to approximately 300 GWh in 2030, with a CAGR of 76.3%.

Drivers for the ESS Battery Market

Global Electricity Demand Growth: The global demand for electricity continues to rise, driven by global economic development, population growth, and accelerating electrification. According to the GGII Report, global electricity demand reached approximately 30,000 TWh in 2024, and is expected to increase with a CAGR of 4.5% from 2024 to 2030.

Policy Support: Many countries have introduced policies to guide and support the development of renewable energy and energy storage industries. In China, government authorities including the NDRC and the NEA have issued multiple policy initiatives, such as the 14th Five-Year Plan for Renewable Energy Development (《「十四五」可再生能源發展規劃》), the Notice on Promoting the Grid Integration and Dispatch of New Types of Energy Storage (《關於促進新型儲能並網與調度運用的通知》), and the Implementation Plan for the Special Action on Optimization of Power System Regulation Capacity (2025-2027) (《電力系統調節能力優化專項行動實施方案(2025-2027年)》), to support the development of renewable energy and energy storage industries, and to improve power system and market development. The EU published the REPowerEU plan in 2022, and established a target to increase the share of renewable energy in the power mix to 42.5% by 2030, with the aspiration to reach 45%. This plan emphasizes the critical role of energy storage in facilitating the EU's energy transition and climate goal. Under this framework, a series of incentive programs for renewable energy and energy storage have been introduced. In addition, the EU proposed the Clean Industrial Deal in 2025, which plans to raise the economy-wide electrification rate from 21.3% to 32% by 2030 while deploying an additional 100 GW of renewable energy capacity per year up to 2030, in order to gradually reduce the reliance on traditional energy sources.

Development of Renewable Energy: According to the GGII Report, the share of renewable power generation in the global power mix has been steadily increasing. Wind and solar power's share increased from 9% in 2020 to 17% in 2024, and is expected to reach approximately 31% in 2030. Energy storage, serving as a flexible grid-balancing resource in power systems, has become increasingly critical for renewable energy integration, power supply-demand balancing, and grid stability, which drives rigid demand for storage growth.

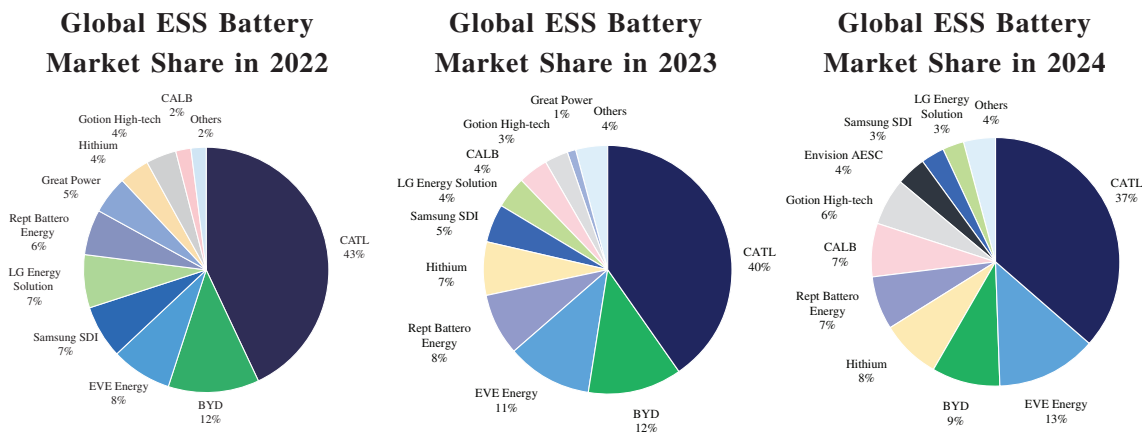
INDUSTRY OVERVIEW

Demand from Data Centers: The rapid advancement of applications of intelligent technologies is driving a significant increase in the demand for computing power and electricity consumption of data centers. According to the GGII Report, global data center electricity consumption is expected to reach approximately 1,900 TWh in 2030. Many leading technology companies and data center operators have established and implemented definitive carbon reduction targets. Renewable energy equipped with ESS batteries has become an effective solution that can be rapidly deployed to provide clean energy for data centers to meet their substantial new electricity demands, making it a key driver for the energy storage market growth.

Improved Cost Effectiveness: The costs of ESS have declined significantly in recent years, driven by technology advancement, supply chain maturity, and economies of scale, enhancing the cost effectiveness of energy storage applications, thus contributing to the rapid growth in demand for ESS batteries.

Competitive Landscape of ESS Battery Market

The competitive landscape of the global ESS battery market is similar to that of the EV battery industry, with relatively concentrated market share. In terms of shipment volume, in 2024, the top five and top ten energy storage battery manufacturers accounted for 73% and 96% of the global market, respectively. There is notable overlap between the global top ten companies in EV batteries and ESS batteries.



Source: GGII Report, SNE Research

OVERVIEW OF BATTERY RECYCLING INDUSTRY

As more lithium-ion batteries reach the end of their life cycle, the demand for effective battery recycling solutions is growing. Battery recycling is particularly crucial as these batteries contain heavy metals and hazardous substances that, if not properly recycled, could pose significant environmental risks. Lithium-ion battery recycling involves recovering and processing valuable metals such as nickel, cobalt, manganese and lithium, along with other materials from retired batteries, enabling the closed-loop utilization of critical resources required for battery manufacturing. Moreover, battery recycling helps reduce the overall life cycle carbon footprint of lithium-ion batteries compared to using raw mineral materials. The battery industry needs to build a closed-loop industrial ecosystem of battery production, usage, cascade utilization and recycling to achieve sustainable development of resources.

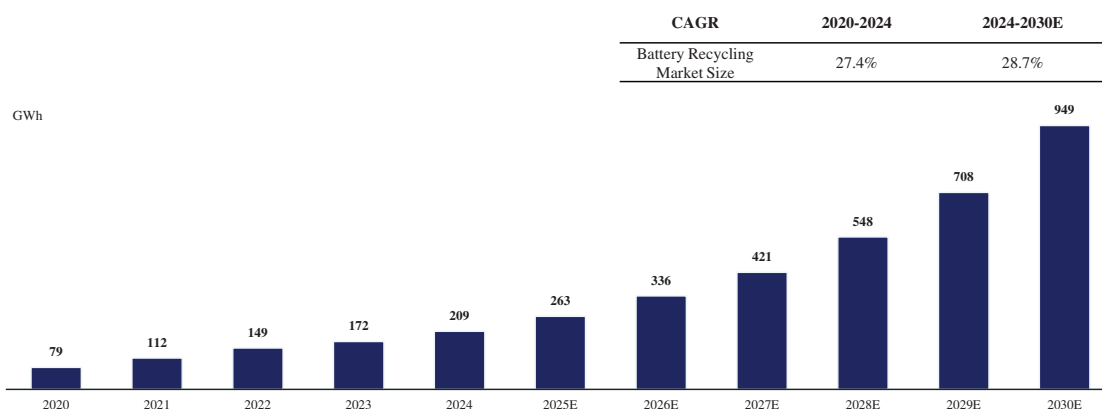
The lithium-ion battery recycling process primarily consists of discharging the batteries, followed by dismantling and crushing, and then separating different materials. These extracted materials are further processed using various technologies, including pyrometallurgical and hydrometallurgical methods. Continuous advancements in lithium-ion battery recycling technologies have significantly improved recovery rates and cost effectiveness, reducing reliance on raw mineral materials and mitigating the constraints caused by regional scarcity of resources.

The lithium-ion battery recycling industry remains in its early stages of development, with countries worldwide implementing policies and regulations to support market growth and establish industry standards. Governments are strengthening industry oversight by imposing strict entry requirements on recycling companies, particularly regarding safety and environmental compliance. For example, China has introduced a series of policy initiatives aimed at building a comprehensive, efficient, and standardized waste recycling system, advancing the R&D and application of recycling technology, and improving traceability management. Key regulations include the Guidelines on Accelerating the Construction of Waste Recycling Systems (《關於加快構建廢棄物循環利用體系的意見》) and the Industry Standards for Comprehensive Utilization of Used Power Batteries from New Energy Vehicles (《新能源汽車廢舊動力電池綜合利用行業規範條件》). They require recycling companies to meet specific standards in areas such as site selection, equipment and processes, resource utilization and energy efficiency, and environmental protection. The EU Battery Regulation established specific targets for EV battery recycling, outlining clear requirements for overall battery recovery rates, material recovery rates, and the minimum proportion of recycled content. Starting from 2025, all collected waste batteries must be recycled, with high recovery rates, particularly for critical materials such as cobalt, lithium, and nickel. Furthermore, the regulation specifies that EV batteries must contain a certain proportion of recycled materials – for example, the proportion of recycled lithium must reach 6% by 2031 and 12% by 2036.

INDUSTRY OVERVIEW

The battery recycling market continues to attract diverse participants, including traditional scrap and waste recycling companies, battery manufacturers, battery materials companies and mining companies. These industry participants are establishing recycling service networks through independent initiatives and collaborative partnerships, gradually forming a structured and comprehensive battery collection and recycling ecosystem. The global battery recycling market is expected to continue expanding, with its total market size projected to reach 949 GWh by 2030.

Global Battery Recycling Market Size



Source: GGII Report

Note: Including retired batteries, as well as waste materials generated from battery and materials production

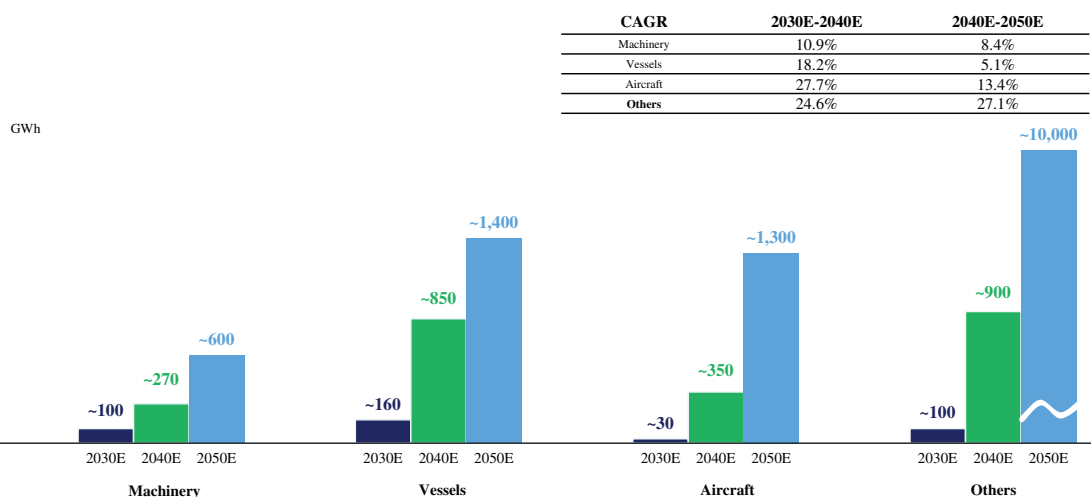
EMERGING APPLICATIONS

The application of lithium-ion batteries in NEV and energy storage sectors are becoming increasingly mature. Continuous technological innovations have enabled the use of lithium-ion batteries in more diverse scenarios, thereby accelerating electrification across all sectors of the society. Next-generation EV batteries are driving the electrification of machinery, vessels and aircraft, further reducing carbon emissions. Moreover, with the introduction and wide adoption of emerging technologies, the demand for EV batteries in intelligence-driven application is expected to be immense.

Based on these four major applications, market demand for lithium-ion batteries in emerging fields is expected to surge beyond 13 TWh by 2050.

INDUSTRY OVERVIEW

Battery Shipments in Emerging Applications



Source: GGII Report

INDUSTRY OUTLOOK

The wide adoption of EV batteries and ESS batteries has gradually fostered the development of an industrial ecosystem, creating demands for related services, such as the construction and management of battery charging and swapping stations, the operation and maintenance of energy storage facilities, V2G (two-way interaction between NEV and the power grid), energy internet platforms, and intelligent energy management systems, which plays an important role in promoting the development of the new energy industry and improving the flexibility of the power system. The industry is evolving from simply offering products to providing services, then to delivering comprehensive solutions, and ultimately achieving deep integration. This progression enables the intelligent interconnection, dispatch and management of green energy, establishes a safe, efficient, flexible and intelligent new energy system, and contributes to the wide adoption of zero-carbon solutions and the realization of a zero-carbon society. According to the GGII Report, between 2020 and 2050, the total investments required to achieve net-zero targets is expected to exceed US\$275 trillion globally.

KEY ENTRY BARRIERS FOR THE LITHIUM-ION BATTERY INDUSTRY

Technology: Lithium-ion batteries are essential components in low-carbon and clean energy transition. The development and large-scale production of lithium-ion batteries that combine high safety, high performance, superior quality, and low cost face exceptionally high entry barriers. Battery technology requires a profound understanding and comprehensive application of electrochemistry, thermodynamics, and molecular dynamics, spanning multiple principles and fundamental theories across micro-, meso-, and macro-scales. The R&D and manufacturing of high-quality batteries encompass materials, product design, processes, engineering design, testing and analysis, and intelligent manufacturing, each of which demands an extremely high level of technical precision. These technologies must not only be validated in laboratory environments but also undergo long-term refinement and optimization in real-world production and application scenarios.

Scale and Capital: The battery industry exhibits characteristics of being technology-intensive, capital-intensive, and labor-intensive simultaneously. Its highly complex technologies rely on cutting-edge innovations in materials and processes, necessitating substantial R&D investments and cross-disciplinary technical expertise. Moreover, the industry demands sustained and large-scale capital investments, from experimental research and development to mass production, as well as the construction, maintenance, and continuous upgrading of large-scale production lines to ensure product quality. Additionally, battery assembly, quality inspection, and post-production maintenance still rely heavily on manual operations and precision management. Only battery companies that possess all three competitive advantages — technological strength, financial resources, and labor expertise — can establish a sustainable competitive edge in the industry.

Customer Relationship: Customers require a long period to accurately assess the performance and quality of battery products, leading them to be highly cautious when selecting new battery suppliers. For example, EV batteries are core components of NEV, accounting for 30% to 60% of total vehicle costs. Given the lengthy development cycle of new vehicle models, battery manufacturers must engage in long-term joint development with automakers and undergo multiple rounds of validation before securing nomination. Considering the sales cycle of vehicle models, automakers are reluctant to change the suppliers for core components such as batteries. As a result, customers tend to choose battery suppliers with strong technological capabilities, stable partnerships, and large-scale delivery capacity to ensure reliability and continuity.

Supply Chain Management: The cost of materials accounts for a significant proportion of the total cost of EV and ESS batteries, and price fluctuations in certain materials can have a substantial impact on overall battery costs. Material supply directly influences production planning for battery manufacturers, while material quality affects both manufacturing consistency and product delivery to customers. As a result, securing low-cost, stable, and high-quality materials is one of the key competitive advantages for battery companies. Battery manufacturers that establish deep collaboration with upstream material suppliers — ensuring both technological compatibility and a stable supply chain — can effectively control costs, drive technological innovation, and maintain strong market competitiveness.

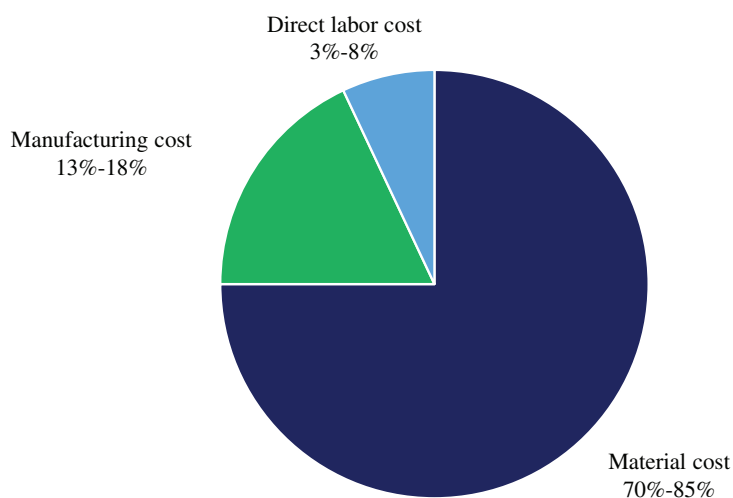
INDUSTRY OVERVIEW

ANALYSIS OF LITHIUM-ION BATTERY PRICE AND COSTS

Major Cost Components

Lithium-ion battery cells mainly consist of cathode, anode, separator, and electrolyte. In the cost structure of lithium-ion cells, material costs account for approximately 70% to 85% of the total cell cost, with cathode materials constituting the largest cost component.

Cost Structure of Lithium-ion Batteries in 2024



Source: GGII Report

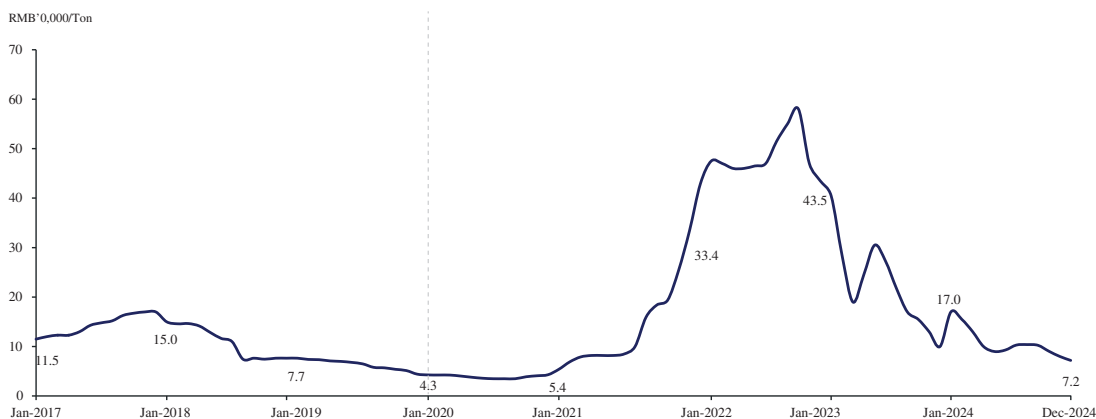
Price Analysis of Key Raw Materials

The price of lithium carbonate, a key raw material influencing lithium-ion battery cathode price, responds sharply to industry supply-demand fluctuations. Both new production and capacity expansion of lithium carbonate, involves multiple stages, including extraction, beneficiation, and refining, which requires a prolonged processing period, typically taking two to three years. Since 2020, the rapid expansion in NEV and energy storage market demand coupled with limited incremental supply of lithium carbonate, has resulted in a supply shortage and a sharp price surge. Price of lithium carbonate reached a peak of over RMB600,000 per ton in the fourth quarter of 2022. As supply gradually increased, price began to decline. By December 2024, lithium carbonate price has drop to RMB72,000 per ton.

INDUSTRY OVERVIEW

The following chart sets forth the trend of average lithium carbonate prices:

Global Monthly Average Price for Lithium Carbonate (VAT Included)



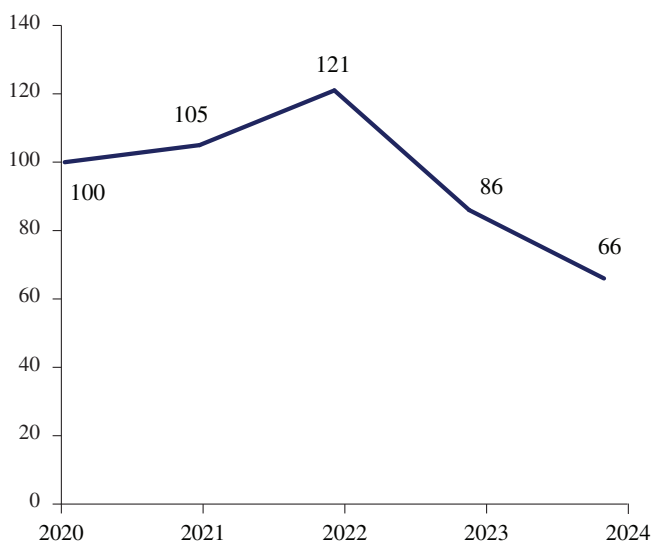
Source: GGII Report

Cost Analysis

Due to technological advances and economies of scale, lithium-ion battery cell costs have shown a downward trend. In 2021 and 2022, as lithium carbonate price rapidly increased, battery cell costs rose accordingly. Subsequently, as lithium carbonate price fell, lithium-ion battery cell costs gradually decreased throughout 2023 and 2024.

The following chart sets forth the trend of average battery cell costs in the global market:

Global Industry Average Battery Cell Costs Index



Source: GGII Report

Note: The data in the chart above is based on the year 2020, with the global average battery cell costs in 2020 adjusted to 100 for statistical analysis and calculation.

INDUSTRY OVERVIEW

DATA SOURCES AND RESEARCH METHODOLOGY

The information and statistics set out in this section and other sections of this prospectus are derived from various official government publications, publicly available market research, and other information sourced from independent providers. In addition, we have engaged GGII to prepare the GGII Report in connection with the Global Offering. The information provided by GGII and disclosed in this prospectus is extracted from the GGII Report, which was commissioned by us for a fee of RMB550,000. The GGII Report is independently prepared by GGII and is not subject to any influence from us or other interested parties.

Established in 2017, GGII's predecessor was a business unit under Shenzhen Gaogong Consulting Co., Ltd. GGII has been focusing on market research and consulting for emerging industries such as lithium-ion batteries, sodium-ion batteries, solid-state batteries, new energy storage, hydrogen energy and hydrogen fuel cells for more than 10 years. GGII publishes annual market research and analysis reports on lithium mines and lithium carbonate, cathode materials (including precursors), anode materials, electrolytes, diaphragms, electrolytic copper foil, lithium-ion battery recycling, EV batteries, ESS batteries, solid-state batteries, sodium-ion batteries, flow batteries, NEV, light vehicles, engineering machinery, track vehicles, hydrogen fuel cells, hydrogen energy and other industrial chains and various segments.

In preparing the GGII Report, data was primarily sourced from two categories: data obtained by GGII through market research, cross-validation and prediction based on certain assumptions; as well as reference and citation of official websites of global government agencies, public company reports (including prospectuses, transfer instructions, annual reports, semi-annual reports, inquiry reports), and public reports issued by or authorized by other third-party institutions. Due to the research methods and data effectiveness, there may be discrepancies between the data collected by GGII and other third-party sources and the actual industry data.

The GGII Report was compiled based on the following assumptions: (i) Chinese and global economy will experience stable growth from 2025 to 2030, without the impact of financial crises, wars, epidemics, earthquakes or other force majeure factors; (ii) the global economic order will develop steadily, with no major disruptions caused by significant geopolitical events that could materially impact tariffs, imports, or exports; and (iii) major countries and regions worldwide will not introduce substantial adverse adjustments to policies, requirements, or standards related to carbon neutrality initiatives.

SHARE CAPITAL

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the total issued share capital of our Company was RMB4,403,394,911, comprising 4,403,394,911 A Shares of nominal value of RMB1.00 each, all of which are listed on the ChiNext of the Shenzhen Stock Exchange. This includes 22,632,510 A Shares repurchased by our Company pursuant to repurchase mandates approved by our Board and held in our Company's stock repurchase account as treasury shares.

Description of Shares	Number of Shares	Approximate % of total issued share capital of our Company
A Shares	4,403,394,911	100.0%

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following the completion of the Global Offering, assuming (i) the Offer Size Adjustment Option and the Over-allotment Option are not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing, the share capital of our Company will be as follows.

Description of Shares	Number of Shares	Percentage of total issued share capital of our Company
A Shares	4,403,394,911	97.39%
H Shares to be issued pursuant to the Global Offering	117,894,500	2.61%
Total	<u>4,521,289,411</u>	<u>100.0%</u>

Immediately following the completion of the Global Offering, assuming (i) the Offer Size Adjustment Option is fully exercised but the Over-allotment option is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing, the share capital of our Company will be as follows.

Description of Shares	Number of Shares	Percentage of total issued share capital of our Company
A Shares	4,403,394,911	97.01%
H Shares to be issued pursuant to the Global Offering	135,578,600	2.99%
Total	<u>4,538,973,511</u>	<u>100.0%</u>

SHARE CAPITAL

Immediately following the completion of the Global Offering, assuming (i) the Over-allotment Option is fully exercised but the Offer Size Adjustment Option is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing, the share capital of our Company will be as follows.

Description of Shares	Number of Shares	Percentage of total issued share capital of our Company
A Shares	4,403,394,911	97.01%
H Shares to be issued pursuant to the Global Offering	<u>135,578,600</u>	<u>2.99%</u>
Total	<u>4,538,973,511</u>	<u>100.0%</u>

Immediately following the completion of the Global Offering, assuming (i) the Offer Size Adjustment Option and the Over-allotment Option are fully exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing, the share capital of our Company will be as follows.

Description of Shares	Number of Shares	Percentage of total issued share capital of our Company
A Shares	4,403,394,911	96.58%
H Shares to be issued pursuant to the Global Offering	<u>155,915,300</u>	<u>3.42%</u>
Total	<u>4,559,310,211</u>	<u>100.0%</u>

OUR SHARES

Our H Shares in issue upon completion of the Global Offering, and our A Shares, are ordinary Shares in our share capital and are considered as one class of Shares. Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between mainland China and Hong Kong. Our A Shares can be subscribed for and traded by mainland Chinese investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. Our H Shares can be subscribed for or traded by Hong Kong and other overseas investors and qualified domestic institutional investors. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by mainland Chinese investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

SHARE CAPITAL

RANKING

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares or other forms. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR LISTING AND TRADING ON THE HONG KONG STOCK EXCHANGE

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the Global Offering. The Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (《H股公司境内未上市股份申请“全流通”业务指引》) announced by the CSRC are not applicable to companies dual listed on the stock exchanges in mainland China and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that holders of our A Shares may convert the A Shares held by them into H Shares for listing and trading on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE GLOBAL OFFERING

Approval from holders of A Shares is required for our Company to issue H Shares and seek the listing of H Shares on the Hong Kong Stock Exchange. Such approval was obtained by us at the Shareholders’ general meeting of our Company held on January 17, 2025 and is subject to the following major conditions:

- (i) *Size of the offer.* The proposed number of H Shares to be offered shall not exceed 5% of the total issued share capital enlarged by the H Shares to be issued pursuant to the Global Offering (before the exercise of the Over-allotment Option). The number of H Shares to be issued pursuant to the full exercise of the Over-allotment Option shall not exceed 15% of the total number of H Shares to be offered initially under the Global Offering.
- (ii) *Method of offering.* The method of offering shall be by way of an international offering to institutional investors and a public offer for subscription in Hong Kong.

SHARE CAPITAL

- (iii) *Target investors.* The H Shares shall be issued to overseas institutional investors, corporations and individual investors, as well as qualified domestic institutional investors and other investors who fulfill the relevant laws and regulations.
- (iv) *Price determination basis.* The Offer Price of the H Shares will be determined by the Board and its authorized person with the authorization of the Shareholders' general meetings, together with the Overall Coordinators, after full consideration of the interests of existing Shareholders and the conditions of domestic and international capital markets conditions with reference to the international practices and through demands for orders and book-building process using a market-oriented pricing method.
- (v) *Validity period.* The issue and listing of H Shares on the Hong Kong Stock Exchange shall be completed within 18 months from the date on which such matters were approved at the Shareholders' meeting held on January 17, 2025.

There are no other approved offering plans for our Shares except the Global Offering.

SHAREHOLDERS' GENERAL MEETINGS

For details of circumstance under which our Shareholders' general meeting is required, see "Appendix V — Summary of the Articles of Association — Shareholders and Shareholders' Meetings" to this prospectus.

REGULATORY OVERVIEW

The major PRC laws, regulations, normative documents and regulatory policies which have impact on our business operations are set out below:

INDUSTRIAL POLICIES AND REGULATORY PROVISIONS

According to the Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035 of the PRC (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》) promulgated by the NPC on March 12, 2021 and came into effect on the same day, China will focus on new energy, new energy vehicles, environmental protection and other emerging industries of strategic importance, and accelerate the innovation and application of core technologies in key fields to enhance the country's capacity of ensuring the supply of productive factors and foster new drivers for industrial development thereafter.

According to Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy (《關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》), which was promulgated by the Central Committee of the Communist Party of China and the State Council on September 22, 2021 and came into effect on the same day, China will accelerate the development of strategic emerging industries in areas such as new energy, new materials, new energy vehicles, and environmental protection. It will carry out initiatives to substitute renewable energy for fossil fuels, vigorously develop wind, solar, biomass, marine and geothermal energy among others, and continuously increase the proportion of non-fossil in total energy consumption. Faster moves must be made to scale up the use of pumped storage hydro power and other new forms of energy storage, accelerate the development of new energy and clean energy vehicles and ships, promote intelligent transportation and accelerate the construction of a convenient, efficient network of battery charging and swapping facilities.

According to the Action Plan for Carbon Dioxide Peaking Before 2030 (《2030年前碳達峰行動方案》) promulgated by the State Council on October 24, 2021 and came into effect on the same day, it is proposed to actively develop the “new energy + energy storage” model, promote coordination of power source-grid-load-storage, use multiple energy sources to supplement each other, and support the deployment of appropriate ESS for distributed new energy sources. It also proposed to speed up the demonstration and application of new types of energy storage.

According to the Implementation Plan on Accelerating the Comprehensive Utilization of Industrial Resources (《關於加快推動工業資源綜合利用的實施方案》) promulgated by eight departments including the Ministry of Finance, the NDRC, the MIIT on January 27, 2022, which took effect on the same day, the management system will be improved so as to strengthen the traceability management of full life cycle of EV batteries for new energy vehicles, while promoting cooperation between upstream and downstream enterprises in the industrial chain to jointly build recycling channels, creating a cross-regional recycling and utilization system, and advancing the safe cascade utilization of waste EV batteries in fields such as backup power and charging and swapping.

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According to the 14th Five-Year Plan for Modern Energy System (《“十四五”現代能源體系規劃》) jointly promulgated by the NDRC and the NEA on January 29, 2022 and came into effect on the same day, China will establish and improve the construction standards for electrochemical energy storage and hydrogen energy and accelerate the large-scale application of new energy storage technologies. It will vigorously promote the development of energy storage on the power supply side, ensure reasonable configuration of storage capacity, improve the output characteristics of new energy stations, support the distributed ESS for rational allocation of new energy sources, and optimize the layout of grid-side energy storage, in an effort to leverage its multiple roles in integrating new energy, peak shaving and valley filling, enhancing grid stability and emergency power supply. It will also support the diversified development of user side energy storage, improve power supply reliability for users and encourage the participation of user side energy storage such as electric vehicles and uninterruptible power supplies in peak shaving and frequency regulation. It will conduct focused research and development on key technologies for new energy storage to accelerate the core technology autonomy and promote continuous cost reductions and large-scale applications of energy storage technologies, thereby perfecting technical standards and management systems for energy storage and enhancing the level of safe operation.

According to the 14th Five-Year New Energy Storage Development Plan (《“十四五”新型儲能發展實施方案》) jointly promulgated by the NDRC and the NEA on January 29, 2022 and came into effect on the same day, by 2030, new energy storage will be developed on a fully market-oriented basis and will be deeply integrated with various segments of the power system, basically meeting the requirements for building a new type of power system and fully supporting the achievement of carbon peak goals in the energy sector as planned.

According to the 14th Five-Year Renewable Energy Development Plan (《“十四五”可再生能源發展規劃》) jointly promulgated by nine departments including the NDRC, the NEA on June 1, 2022 and became effective on the same day, China will redouble efforts to make breakthroughs in frontier and core technologies for renewable energy and equipment, develop high-energy-density energy storage technologies such as sodium-ion batteries, liquid metal batteries, solid Lithium-Ion batteries, metal-air batteries and lithium-sulfur batteries, establish the independent market status of new energy storage and improve the trading mechanisms and technical standards for energy storage to participate in various power markets, thereby leveraging the multiple functions of energy storage in peak shaving and frequency regulation, emergency backup and capacity support, among others, as well as promoting the multi-scene application of energy storage on the power supply side, power grid side and user side.

REGULATORY OVERVIEW

According to the Guiding Opinions on Promoting the Development of the Energy Electronics Industry (《關於推動能源電子產業發展的指導意見》), which was promulgated by six departments including the MIIT and the NEA on January 3, 2023 and came into effect on the same day, China will strengthen technical research on the industrialization of new ESS batteries, promote advanced energy storage technologies and products large-scale application, research and make breakthroughs in key technologies such as battery systems with ultra-long life cycle and high safety, efficient energy storage with large scale and capacity, and vehicle mobile energy storage, accelerate the research and development of solid-state batteries, sodium-ion batteries, hydrogen energy storage/fuel cells and other new types of batteries. It will also improve the ability to guarantee key resources such as lithium, nickel, cobalt and platinum, strengthen the development and application of alternative materials, promote hybrid ESS based on complementary power and energy-based electrochemical energy storage technologies, support the establishment of a full-life cycle traceability management platform for lithium batteries, conduct research on the accounting standards and methods for carbon footprint of batteries, and explore the establishment of a carbon emission management system for battery products.

According to the Implementation Opinions on Strengthening the Integration and Interaction between New Energy Vehicles and the Power Grid (《關於加強新能源汽車與電網融合互動的實施意見》), which was promulgated by 4 departments including the NDRC, the NEA and the MITT on December 13, 2023 and came into effect on the same day, it will step up efforts in tackling key technical problems of power batteries. On the basis of no significant increase in cost, it will increase the life cycle of power batteries to 3,000 times or more, and develop battery safety control technologies under the condition of high-frequency charging and discharging.

According to the Guiding Catalog for Industrial Restructuring (2024 Edition) (《產業結構調整指導目錄(2024年本)》), which was last amended by the NDRC on December 27, 2023 and came into effect on February 1, 2024, new lithium primary batteries (lithium iron disulfide and lithium thionyl chloride, among others); Lithium-Ion batteries, semi and solid-state lithium-ion batteries, fuel cells, sodium-ion batteries, flow batteries, new-structure (bipolar, lead mesh horizontal, coiled, tubular, and other) sealed lead-acid batteries, lead-carbon batteries, next-generation hydrogen fuel cells, electrochemical energy storage and other new batteries and new-type power system technologies fall into the state-encouraged industries.

According to the Implementation Plan for the Building of the Carbon Footprint Management System (《關於建立碳足跡管理體系的實施方案》), which was promulgated by 15 departments including the Ministry of Ecology and Environment of PRC, the NDRC and the MITT on May 22, 2024 and came into effect on the same day, it will focus on key products such as power generation, lithium-ion batteries, new energy vehicles, photovoltaics, and electronics and electrical appliances to formulate and publish accounting rules and standards. It will strive to promote the formulation of international carbon footprint standards for product in the fields of lithium-ion batteries, photovoltaics, new energy vehicles, and electronic and electrical appliances.

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According to the Opinions on Accelerating Comprehensive Transition Towards Green Economic and Social Development (《中共中央國務院關於加快經濟社會發展全面綠色轉型的意見》) jointly promulgated by the Central Committee of the Communist Party of China and the State Council on July 31, 2024 and came into effect on the same day, China will boost the development of non-fossil energy and the proportion of non-fossil energy in energy consumption will rise to about 25% by 2030. The use of low-carbon transportation vehicles is encouraged. Great efforts will be made to promote new energy vehicles, driving the electrification of urban public service vehicles. It will promote the use of clean power in ships, aircraft, and non-road mobile machinery, accelerate the phase-out of outdated transportation vehicles, advance zero-emission freight transport, strengthen the research, development and application of sustainable aviation fuels and encourage the research, production and application of net-zero emission marine fuels. By 2030, carbon emission intensity of commercial vehicles measured on the basis of converted turnover will be cut by about 9.5% compared with 2020. By 2035, new energy vehicles will become the mainstream in the sales of new vehicles.

LAWS AND REGULATIONS ON PRODUCTION SAFETY, ENVIRONMENTAL PROTECTION AND ENERGY CONSERVATION REVIEW

Production Safety

According to the Production Safety Law of the PRC (《中華人民共和國安全生產法》) or the Production Safety Law, which was last amended by the Standing Committee of the National People's Congress ("SCNPC") on June 10, 2021 and came into effect on September 1, 2021, entities engaged in production and business activities within the PRC shall comply with the Production Safety Law and other laws and regulations related to production safety, strengthen production safety management. Entities shall establish and improve a production safety responsibility system and production safety rules, improve production safety conditions, and strengthen the standardization of production safety, raise production safety levels, and ensure production safety. The person in charge of a production and operation entity shall be fully responsible for the production safety of the entity. Violation of the Production Safety Law may result in imposition of fines and penalties, suspension of operation, an order to cease operation, depending on the circumstances of the violation, and criminal liability will be pursued if the violation constitutes a crime. In addition, according to the Mine Safety Law of the PRC, which was amended by the SCNPC on August 27, 2009 and came into effect on the same day, mining enterprises must have facilities to ensure production safety, establish and improve safety management systems, and take effective measures to improve working conditions of employees, strengthen mine safety management, and ensure safe production. Among them, the safety facilities of mine construction projects must be designed, constructed, put into production and use simultaneously with the main project; the conditions for safe production must be met in mining operations, and mine safety regulations and industry specifications for mining different types of minerals must be in place; mining enterprises must establish and improve the responsibility system for safety production.

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Environmental Protection

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) or the Environmental Protection Law, which was last amended by the SCNPC on April 24, 2014 and came into effect on January 1, 2015, any entity that discharges or will discharge pollutants in the course of operation or other activities must implement effective environmental protection measures to control and properly handle hazardous substances such as waste gas, waste water, waste residues, dust, malodorous gases, radioactive substances, noise, vibration and electromagnetic radiation generated in the course of such activities. The State implements a pollutant discharge permit management system in accordance with the law.

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), which was promulgated by the SCNPC on December 29, 2018 and came into effect on the same day, the Regulation on the Administration of Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), which was amended by the State Council on July 16, 2017 and came into effect on October 1, 2017, and the Interim Measures for Environmental Protection Acceptance Inspection Upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), which was promulgated by the former Ministry of Environmental Protection on November 20, 2017 and came into effect on the same day, the PRC implements a system to assess the environmental impact of construction projects. The construction entity shall submit an environmental impact report or an environmental impact statement for approval prior to the commencement of the construction project, or an environmental impact registration form as required by the environmental protection competent administrative department of the State Council for record. In addition, after the completion of a construction project for which an environmental impact report or an environmental impact statement has been prepared, the construction entity shall, in accordance with the standards and procedures prescribed by the competent administrative department of environmental protection under the State Council, conduct acceptance inspection on the supporting environmental protection facilities and prepare an acceptance report. For construction projects that are constructed in phases or put into production or used in phases, the corresponding environmental protection facilities shall be inspected and accepted in phases. The construction projects can only be put into production or use after the completed supporting environmental protection facilities have passed the acceptance inspection. Facilities that have not been carried out or have not passed the acceptance inspection shall not be put into production or use.

According to the Law of the PRC on Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》) (the “Law of Solid Wastes”), which was last amended on April 29, 2020 by the SCNPC and came into effect on September 1, 2020, any entity or individual that generates, collects, stores, transports, utilizes or disposes of solid waste shall take measures to prevent or reduce the pollution of solid waste to the environment, and shall be responsible for the environmental pollution caused in accordance with the law. Where hazardous waste exists in solid waste, it shall be managed in accordance with hazardous waste management. In addition, the Law of Solid Wastes also, for the first time, incorporated into the law the establishment of an extended producer responsibility system for products such as vehicle EV batteries, the extended producer

REGULATORY OVERVIEW

responsibility system stipulates that producers of EV battery products for vehicles should establish a recycling system for used products that matches the sales volume of their products in accordance with the regulations, either by building it themselves or engaging a contractor, making important arrangements for the establishment of a recycling and disposal system for waste vehicle EV batteries from the top-level design.

Regarding the “Extended Producer Responsibility” system under the Law of Solid Wastes, the Interim Measures for the Management of the Recycling and Utilization of New Energy Vehicle Batteries (《新能源汽车动力电池回收利用管理暂行办法》), jointly promulgated by eight national authorities including the Ministry of Industry and Information Technology, the Ministry of Science and Technology, the Ministry of Transport, and others on January 26, 2018, and effective on the same date, stipulates that automotive OEMs shall assume the primary responsibility for the battery recycling. EV batteries manufacturers are required to fulfill corresponding responsibilities in design, production, and other stages. For example, in the design stage, they should adopt standardized, universal, and easily disassembled product structural designs and use recycled materials as much as possible; in the production stage, they should collaborate with automotive OEMs to assign codes to EV batteries they produce in accordance with national standards and promptly upload EV battery codes and new energy vehicle-related information through the traceability information system.

According to the Law of the PRC on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), which was last amended on June 27, 2017 by the SCNPC and came into effective on January 1, 2018, the enterprises, institutions and other production and operation units directly or indirectly discharging industrial waste water and medical sewage to water bodies, and the enterprises, institutions and other production and operation units required to obtain pollutant discharging permit before discharging waste water and sewage must obtain the pollutant discharging permit. Furthermore, environmental impact assessment must be carried out in accordance with the law for newly-formed projects and reconstruction, or extensions projects that directly or indirectly discharge pollutants to water bodies and other installations on water. Water pollution prevention and control facilities should be designed, constructed and put into use at the same time as the main construction of the projects.

According to the Law of the PRC on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), which was last amended by the SCNPC on October 26, 2018 and took effect on the same day, enterprises, institutions and other production and operation units shall, in accordance with the relevant national regulations and monitoring standards, monitor their emissions of industrial waste gases or toxic and hazardous air pollutants listed in the catalogue published according to Article 78 of the Law of the PRC on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), and keep the original monitoring records. Enterprises and institutions that emit industrial waste gas or toxic and hazardous air pollutants listed in the above-mentioned catalogue, as well as other units that implement administration of pollution discharge permits in accordance with the law, shall obtain a pollutant discharging permit. In addition, enterprises, institutions and other production and operation units constructing projects that have an impact on the atmospheric environment shall carry out environmental impact assessment and make environmental impact

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assessment documents public in accordance with the law; the units that emit pollutants into the atmosphere must comply with the discharging standard for atmospheric pollutants as well as the requirements on control of the total discharging amount of key atmospheric pollutants.

According to the Regulations on the Administration of Pollution Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and took effect on March 1, 2021, enterprises, institutions and other production and operation units subject to administration of pollution discharge permits shall discharge pollutants in accordance with the Administration of Pollution Discharge Permits (《排污許可管理條例》), and shall not discharge pollutants without obtaining a pollutant discharging permit. Environmental protection authorities impose various administrative penalties, such as fines, order to correct, restriction or suspension of production for rectification, and order to cease operation, etc., on individuals or enterprises that violate the Environmental Protection Law.

Fire Safety

According to the Fire Protection Law of the PRC (《中華人民共和國消防法》), which was last amended by the SCNPC on April 29, 2021 and took effect on the same day, the emergency management department under the State Council and the emergency management department under the local people's governments at or above the county level shall supervise and manage fire protection work. Fire prevention design and construction must comply with national technical standards for fire protection in construction projects.

According to the Interim Provisions on the Administration of Fire Protection Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) which was last amended by the Ministry of Housing and Urban-Rural Development of PRC on August 21, 2023 and officially came into effect on October 30, 2023, fire prevention design review and acceptance should be carried out for special construction projects. With respect to the construction projects other than special construction projects, the fire protection acceptance of construction projects shall be filed with the competent authorities.

Energy Conservation Review

According to the Energy Conservation Law of the PRC (《中華人民共和國節約能源法》), which was last amended by the SCNPC on October 26, 2018 and came into effect on the same day, the State shall implement an energy conservation assessment and audit system for fixed asset investment projects. For projects which do not meet the compulsory energy conservation standards, the developer shall not commence construction; where the construction is completed, the project shall not be put into production or use. For government investment projects which do not meet the compulsory energy conservation standards, the agency in charge of examination and approval pursuant to the law shall not grant approval for construction. Detailed measures shall be formulated by the department regulating energy conservation under the State Council jointly with other relevant State Council departments.

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According to the Measures for the Energy Conservation Review of Fixed Asset Investment Projects (《固定資產投資項目節能審查辦法》) revised by the NDRC on March 28, 2023 and came into effect on June 1, 2023, the review opinions on energy conservation of a fixed asset investment project are an important basis for the commencement of construction, acceptance upon completion as well as operation and management of such project. For a government-invested project, the project owner shall obtain the review opinions on energy conservation issued by the energy conservation review authority prior to submitting its feasibility study report for the project. For an enterprise-invested project, the project owner shall obtain the review opinions on energy conservation issued by the energy conservation review authority prior to the commencement of construction. For a project which has not undergone the energy conservation review or fails to pass the energy conservation review, the project owner shall not commence construction, or the project shall not be put into production or use if it is already completed.

LAWS AND REGULATIONS ON PRODUCT QUALITY

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), which was last amended by the SCNPC on December 29, 2018 and came into effect on the same day, the market supervision and administration department under the State Council is in charge of the national supervision of product quality, a manufacturer is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring human and property safety. Products must be free from unreasonable dangers threatening human and property safety. Where a defective product causes physical injury to a person or property damage, the aggrieved party may make a claim for compensation from the producer or the seller of the product. Producers and sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products and/or fines; earnings from sales in contravention of such standards or requirements, if any, may also be confiscated, and in severe cases, an offender's business license may be revoked.

LAWS AND REGULATIONS ON IMPORT AND EXPORT OF GOODS

According to the Customs Law of the PRC (《中華人民共和國海關法》) last amended by the SCNPC on April 29, 2021 and came into effect on the same day, the Customs is a governmental organization responsible for supervision and control over all arrivals in and departures from the Customs territory, who is authorized to supervise the transportation vehicles, goods, luggage, postal articles and other articles entering and leaving the country, collects customs duties and other taxes and fees, prevents and combats smuggling, compiles customs statistics and handles other customs operations. Customs declaration entities refer to the consignees and consignors of imported or exported goods and customs declaration enterprises recorded with the Customs. The consignee or the consignor of imported or exported goods may complete the declaration formalities either by themselves or engaging an agent.

REGULATORY OVERVIEW

According to the Law of the PRC on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法》) last amended by the SCNPC on April 29, 2021 and came into effect on the same day, and the Regulations for the Implementation of the Law of the PRC on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法實施條例》) last amended by the State Council on March 29, 2022 and came into effect on the same day, the General Administration of Customs of PRC (“the General Administration of Customs”) is responsible for inspection of imported and exported commodities nationwide, and its subordinate entry-exit inspection and quarantine authorities shall conduct inspection on the imported and exported commodities listed in the catalogue and other imported and exported commodities that shall be subject to the inspection by the entry-exit inspection and quarantine authorities as prescribed by laws and administrative regulations. For the imported and exported commodities other than those that are subject to inspection as mentioned above, the entry-exit inspection and quarantine authorities may conduct random inspection in accordance with state regulations. No import commodity subject to statutory inspection that has not been inspected could be sold or used. No export commodity subject to statutory inspection that has not been inspected or fails to pass the inspection could be exported. Consignees or consignors of the import and export commodities may complete the inspection procedures themselves, or engage an agent to do this.

According to the Provisions on the Administration of Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and came into effect on January 1, 2022, customs declaration entities refer to consignees or consignors of imports and exports and customs declaration enterprises which have filed record with the Customs pursuant to these Provisions. Consignees or consignors of imports and exports and customs declaration enterprises applying for filing shall obtain market entity qualification and in the case of consignees or consignors of imports and exports applying for filing, they shall also complete filing formalities for foreign trade business operators.

According to the Notice on Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods (《關於進出口貨物收發貨人備案有關事宜的通知》) issued by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs on January 3, 2023 and came into effect on the same day, a consignee or consignor of imported or exported goods who applies for filing shall be qualified as a market entity and is not required to be filed as a foreign trade business operator.

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LAWS AND REGULATIONS ON LABOR, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Labor Law and Labor Contracts Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》) last amended by the SCNPC on December 29, 2018 and came into effect on the same day, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) last amended by the SCNPC on December 28, 2012 and came into effect on July 1, 2013, and the Implementing Regulations of the Labor Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008 and came into effect on the same day, labor contracts must be executed in writing if labor relationships are to be established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employee wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) last amended by the SCNPC and came into effect on December 29, 2018, the Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》) last amended by the State Council and came into effect on March 24, 2019 and other relevant laws and regulations, employers in China are required to provide employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing provident fund.

In addition, any employer that fails to make contributions to above-mentioned social insurance and housing provident fund as required may be ordered to pay the required contributions within a prescribed time limit. If the employer still fails to make the relevant contributions within the prescribed time, a fine may be imposed, and for the overdue contribution, the people's court may enforce collection.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》) last amended by the SCNPC on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Regulations for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) last amended by the State Council on December 11, 2023 and came into effect on January 20, 2024, patents are divided into 3 categories, i.e. invention patents, utility model patents and design patents. The validity period of patents for inventions is 20 years, while the validity period of patents for utility models is 10 years, and the validity period of patents for designs is 15 years, all starting from the date of application.

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Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) last amended by the SCNPC on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) last amended by the State Council on April 29, 2014 and came into effect on May 1, 2014, the trademarks registered with the Trademark Office of China National Intellectual Property Administration are registered trademarks, including commodity trademarks, service trademarks, collective marks and certificate marks. The registration of a trademark shall be valid for ten years from the date of approval. If there is a continued need for the use of the trademark, a renewal shall be made in accordance with requirements within 12 months before the expiry of the trademark registration. Each renewal of registration of a trademark shall be valid for ten years from the date after the expiry of the previous trademark registration.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) last amended by the SCNPC on November 11, 2020 and came into effect on June 1, 2021, works of Chinese citizens, legal persons or unincorporated organizations, i.e. intellectual achievements in the field of literature, art and science that are original and can be expressed in a certain form, whether published or not, are entitled to copyright in accordance with the law. Copyright includes a series of personal and property rights such as the right of publication, the right of authorship, the right of modification, the right to protect the integrity of the work and the right of reproduction.

According to the Measures for the Computer Software Copyright Registration (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002, and the Regulations on the Computer Software Protection (《計算機軟件保護條例》) amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, the National Copyright Administration shall be the competent governmental authority for the nationwide administration of software copyright registration and the China Copyright Protection Center is designated as the software registration authority which shall grant registration certificates to the computer software copyrights applicants according to the Measures for the Computer Software Copyright Registration and the Regulations on the Computer Software Protection.

Domain Names

According to the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT on August 24, 2017 and came into effect on November 1, 2017, domain names registrations are handled through domain name service agencies established according to the relevant regulations, and the applicants become domain name holders upon successful registration.

LAWS AND REGULATIONS ON TAXES

EIT

The EIT Law and its implementation rules are the principal laws and regulations governing the EIT in the mainland China. According to the EIT Law and its implementation rules, enterprises are divided into resident enterprises and non-resident enterprises. A resident enterprise refers to an enterprise that is established in the mainland China in accordance with the law, or that is established in accordance with the law of a foreign country (region) but whose actual administration institution is in the mainland China. A non-resident enterprise refers to an enterprise established in accordance with the law of a foreign country (region) and whose actual administration institution is outside the mainland China, but it has institutions or establishments in the mainland China or, if not, it has incomes originating from the mainland China. A uniform income tax rate of 25% applies to all resident enterprises and non-resident enterprises that have set up institutions or establishments in the mainland China to the extent that such incomes are derived from the mainland China, or such incomes are obtained outside the mainland China but have an actual connection with the set-up institutions or establishments, high-tech enterprises in need of support from the State shall be subject to a reduced enterprise income tax rate of 15%. Non-resident enterprises that have not set up institutions or establishments in the mainland China or have set up institutions or establishments but the income obtained by the said enterprises have no actual connection with the set-up institutions or establishments, shall pay enterprise income tax at the rate of 10% in relation to their income sourcing from the mainland China.

VAT

Pursuant to the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》), which was last amended by the State Council on November 19, 2017 and came into effect on the same day, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), which was last amended by the MOF on October 28, 2011 and came into effect on November 1, 2011, all entities and individuals engaged in sale of goods or provision of processing, repair and maintenance services or importation of goods in mainland China are subject to VAT. Unless otherwise specified in the above-mentioned regulations, the VAT rate is generally 17% in respect of the sale or importation of goods by taxpayers.

Pursuant to the Notice on the Adjustment to VAT Rates (《關於調整增值稅稅率的通知》) (Cai Shui [2018] No. 32), promulgated by the MOF and the SAT on April 4, 2018, and became effective as of May 1, 2018, the VAT rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

REGULATORY OVERVIEW

Pursuant to the Announcement on Relevant Policies for Deepening VAT Reform (《關於深化增值稅改革有關政策的公告》) (2019 No. 39 of MOF, SAT and General Administration of Customs), promulgated by the MOF, the SAT and the General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, the VAT rates of 16% and 10% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

LAWS AND REGULATIONS ON FOREIGN INVESTMENT, OVERSEAS INVESTMENT AND FOREIGN EXCHANGE SUPERVISION

Company Law

The Company Law, last amended by the SCNPC on December 29, 2023 and came into effect on July 1, 2024, provides that companies established in China may take the form of limited liability company or joint stock company with limited liability. Each company has the status of a legal person and owns the assets itself. The Company Law also applies to foreign-invested companies.

Foreign Investment

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) promulgated by the NPC on March 15, 2019 and the Implementing Rules of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) promulgated by the State Council on December 26, 2019, all of which came into effect on January 1, 2020, the State shall implement the management systems of pre-establishment national treatment and negative list for foreign investment. Foreign investors shall not invest in any field forbidden by the negative list for access of foreign investment; for any field restricted by the negative list, foreign investors shall conform to the investment conditions as required; fields not included in the negative list shall be managed under the principle that domestic investment and foreign investment shall be treated uniformly. Meanwhile, the competent government departments shall, according to the requirements of national economy and social development, formulate a catalogue of industries encouraging foreign investment, stipulating the specific industries, fields and areas in which foreign investors are encouraged and guided to invest.

The current industry entry clearance requirements governing investment activities in the PRC conducted by foreign investors are set out in two catalogues, namely the Special Management Measures for the Entry of Foreign Investment (Negative List) (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》), which was jointly promulgated by the NDRC and the MOFCOM on September 6, 2024 and came into effect on November 1, 2024, and the Encouraged Industry Catalogue for Foreign Investment (2022 version) (《鼓勵外商投資產業目錄(2022年版)》), which was jointly promulgated by the NDRC and the MOFCOM on October 26, 2022 and came into effect on January 1, 2023. These two catalogues further classified businesses into three categories with regard to foreign investment: “encouraged,” “restricted” and “prohibited.” Industries not listed in these three categories are generally deemed as falling into the fourth category, that is “permitted” for foreign investment

REGULATORY OVERVIEW

unless specifically restricted by other PRC laws and regulations. Pursuant to the Encouraged Industry Catalogue for Foreign Investment (2022 version), the manufacturing of EV batteries, supplemental ESS batteries and recycling of batteries involved in our operation fall within the scope of industries encouraging foreign investment.

Overseas Investment

Pursuant to the Administrative Measures for Outbound Investment (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and implemented on October 6, 2014, the MOFCOM and provincial competent commerce authorities shall carry out administration either by record-filing or approval, depending on different circumstances of outbound investment by enterprises. Outbound investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing.

Pursuant to the Administrative Measures for Outbound Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, a domestic enterprise, or the investor, making an outbound investment shall obtain approval or conduct record-filing for outbound investment projects, or the projects, report relevant information, and cooperate with the supervision and inspection. Sensitive projects carried out by Investors directly or through overseas enterprises controlled by them shall be subject to approval, specifically, including projects involving sensitive countries and regions and sensitive industries; non-sensitive projects directly carried out by investors, namely, non-sensitive projects involving investors' direct contribution of assets or rights and interests or provision of financing or guarantee shall be subject to record-filing.

Foreign Exchange Regulation

Pursuant to the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) announced by the State Council on August 5, 2008 and effective on the same day, transactions involving goods, services, income and current transfers in the balance of payments are regarded as current accounts, under which the foreign exchange payments shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document; domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

REGULATORY OVERVIEW

According to the Notice on Relevant Issues Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014 and effective on the same day, a domestic company shall, within 15 business days from the date of the end of its overseas listing and issuance, register the overseas listing with the SAFE's local branch at the place of its incorporation. The proceeds raised by the domestic companies through overseas listing may be remitted to the domestic account or deposited in an overseas account, provided that the use of the proceeds shall be consistent with the content of the prospectus and other public disclosure documents.

In February 2015, the SAFE issued the Circular of Further Simplifying and Improving Foreign Exchange Administration Policies on Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was partially abolished in December 2019. It stipulates that banks shall directly examine and handle foreign exchange registration under overseas direct investment, and the SAFE and its branches shall implement indirect supervision over foreign exchange registration and examination of overseas direct investment through banks.

LAWS AND REGULATIONS ON ANTI-UNFAIR COMPETITION

According to the Anti-unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), or the Anti-unfair Competition Law, lastly amended by the SCNPC on April 23, 2019 and effective on the same day, operators shall comply with the principle of voluntariness, equality, impartiality, integrity and abide by laws and business ethics in market transactions. Under the Anti-unfair Competition Law, unfair competition refers to the circumstance that an operator disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the provisions of the Anti-unfair Competition Law in the production and operating activities. Operators who violate the provisions of Anti-unfair Competition Law shall bear corresponding civil, administrative or criminal responsibilities depending on the specific circumstances.

According to the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》), or the Anti-Monopoly Law, lastly amended on June 24, 2022 and effective on the same day, the Anti-Monopoly Law applies to the monopolistic practices in domestic economic activities in the PRC as well as the monopolistic practices outside the PRC which have exclusion or restriction effects on domestic market competitions. The monopolistic practices under the Anti-Monopoly Law include any monopoly agreement reached by any operators, abuse of market-dominating position by any operators and any concentration of operators which has eliminated or limited or may eliminate or limit the market competition. The antimonopoly law enforcement agencies designated by the State Council are responsible for enforcement of the Anti-Monopoly Law in accordance with the provisions of the Anti-Monopoly Law. The antimonopoly law enforcement agencies of the State Council may, according to the needs of their work, authorize the corresponding agencies of the people's governments of provinces,

REGULATORY OVERVIEW

autonomous regions, and municipalities to be responsible for enforcement of the Anti-Monopoly Law. Operators who violate the provisions of the Anti-Monopoly Law may be subject to fines, confiscation of illegal gains, or cessation of illegal activities by the anti-monopoly law enforcement agencies.

REGULATIONS ON OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC COMPANIES

The Securities Law, which was last revised by the SCNPC on December 28, 2019 and took effect on March 1, 2020, has comprehensively regulated the activities of the securities market in China, including the issuance and trading of securities, the acquisition of listed companies, stock exchanges, securities companies, and the responsibilities of securities regulatory agencies. The Securities Law further stipulates that enterprises in China that directly or indirectly issue securities overseas or list securities overseas shall comply with the relevant provisions of the State Council. The specific measures for subscribing and trading shares of companies in China in foreign currency shall be separately prescribed by the State Council. The CSRC is a securities regulatory agency established by the State Council, responsible for supervising and managing the securities market in accordance with the law, maintaining market order, and ensuring the legal operation of the market. At present, the issuance and trading of H shares are mainly regulated by regulations and rules promulgated by the State Council and the CSRC.

According to the Overseas Listing Trial Measures issued by the CSRC on February 17, 2023 and effective from March 31, 2023, where a domestic company issuer procures an overseas initial public offering or listing, it shall file with the CSRC within three business days after submitting application documents for overseas securities offering and listing.

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly issued by the CSRC and other departments on February 24, 2023 and effective on March 31, 2023, in the overseas offering and listing activities of domestic companies, domestic companies, and securities companies and securities service institutions that provide corresponding services shall strictly comply with the applicable laws and regulations of the PRC and satisfy the requirements of these Provisions, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public. A domestic company that, either directly or through its overseas listed entity, provides or publicly discloses to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, any documents and materials that involve state secrets or work secrets of state organs, shall obtain approval from the competent department with the power of examination and approval according to the law, and report to the administrative department of confidentiality at the same level for filing.

REGULATORY OVERVIEW

The major laws, regulations and regulatory policies which have impact on our overseas business operations are set out below:

INDUSTRY POLICIES AND REGULATORY PROVISIONS IN EUROPEAN UNION

The (EU) 2019/631 CO₂ Emission Performance Standards were promulgated by the European Parliament and the Council on April 17, 2019 and applying from January 1, 2020, and the (EU) 2023/851 Strengthened CO₂ Emission Performance Standards were made public by the European Parliament and the Council on April 25, 2023 and became effective from May 15, 2023. These regulations impose annual CO₂ emission targets on automotive manufacturers. Specifically, commencing from January 1, 2025, average CO₂ emissions of newly registered PVs and light CVs within the EU shall each be reduced by 15% compared to their respective 2021 targets (the “2025 CO₂ Emission Targets”). Furthermore, commencing from January 1, 2030, average CO₂ emissions thereof shall be reduced by 55% and 50%, respectively, compared to their respective 2021 targets.

The REPowerEU Plan was launched by the European Commission on May 18, 2022. The plan aims to build a more resilient EU energy system by accelerating the transition to clean energy. The European Commission has raised nearly EUR300 billion to fund this plan.

The Batteries and Waste Batteries Regulation was promulgated by the European Parliament and the Council on July 12, 2023 and became effective from August 17, 2023, which includes requirements relating to sustainability, safety, labelling, marking and information disclosure for batteries placed on the EU market or put into service within the EU. The Batteries and Waste Batteries Regulation further sets out requirements concerning battery carbon footprint, supply chain due diligence obligations, minimum use targets for recycled battery material content, extended producer responsibility, the collection and treatment of waste batteries and materials, recycling efficiency, and digital battery passport. For EV batteries, at various points in time from 2025 to 2028 (or from the effective dates otherwise specified by the regulation), manufacturers must ensure that each model of battery complies with the requirements to prepare a carbon footprint declaration, meet carbon footprint performance classification requirements, and ensure that the carbon footprint value over the battery’s lifecycle does not exceed the specified maximum threshold. From 2028 to 2036, at different stages (or from the effective dates otherwise specified by the regulation), the content of recycled cobalt, lead, lithium, and nickel used in the production of EV batteries must be proactively disclosed and must meet the phased minimum percentage requirements. At various points in time from 2025 to 2031, waste batteries must, according to different types, meet the phased minimum percentage requirements for average weight-based collection rates and for material-specific recycling rates. Starting from February 18, 2027, all EV batteries are required to be accompanied by a digital battery passport.

REGULATORY OVERVIEW

The Critical Raw Materials Act was promulgated by the European Parliament and the Council on April 11, 2024 and became effective from May 23, 2024, which intends to establish secure, diversified, affordable and sustainable supply chains for critical raw materials. The Critical Raw Materials Act updates the list of critical raw materials and introduces a strategic raw materials list, which includes lithium, manganese, battery-grade nickel, cobalt, copper and graphite. In addition, the Critical Raw Materials Act sets out benchmarks for EU domestic capacities, specifying mandatory proportional targets for the extraction, processing and recycling of strategic raw materials.

The EU Electricity Market Reform Package was promulgated by the European Parliament and the Council on May 21, 2024 and became effective from July 16, 2024. The EU Electricity Market Reform Package aims to accelerate the deployment of renewable energy and other clean electricity sources, and incentivise the clean energy transition. Key measures include (i) indirectly supporting energy storage development through promoting long-term power purchase agreements, contracts for difference, and renewable energy investments; and (ii) introducing a non-fossil flexibility support system with “available capacity payment”, enabling flexibility resources to fully meet clean energy goals, which may potentially increase energy storage unit revenue and promote energy storage development.

The Net-Zero Industry Act was promulgated by the European Parliament and the Council on June 28, 2024 and became effective from June 29, 2024. It requires EU domestic manufacturing capacity for net-zero technologies (such as solar panels, wind turbines, batteries and heat pumps) to meet at least 40% of the EU’s annual deployment needs by 2030, and to reach at least 15% of global production capacity for these technologies by 2040. The Net-Zero Industry Act provides various measures to attract investment in green technologies, including streamlined permitting procedures for strategic net-zero projects and enhanced market access for strategic technological products through public procurement and renewable energy auctions.

The Clean Industry Deal: A Joint Roadmap for Competitiveness and Decarbonisation was promulgated by the European Commission, the European Council, the European Economic and Social Committee and the Committee of the Regions on February 26, 2025, pursuant to which decarbonisation has been positioned as a central driver of industrial growth in Europe. This regulation identifies the reduction of energy costs as a critical business factor, encourages public procurement to prioritise EU-made clean products, and further promotes circular economy practices to ensure raw materials and resource security, including accelerating the implementation of the Critical Raw Materials Act.

REGULATORY OVERVIEW

The Industrial Action Plan for the European Automotive Sector was, promulgated by the European Commission, the European Council, the European Economic and Social Committee and the Committee of the Regions on March 5, 2025, pursuant to which support has been provided to the automotive industry's transition towards clean, connected and automated mobility. To enhance flexibility in carbon emission standards and facilitate the achievement of the 2025 CO₂ Emission Targets, the European Commission intends to introduce amendments to the CO₂ emission performance standards for PVs and vans. Under these amendments, compliance by vehicle manufacturers will be assessed comprehensively over the years 2025, 2026 and 2027, allowing manufacturers to offset exceedances of emission targets in one or two of those years by achieving lower-than-target emissions in the other years within this three-year assessment period.

According to the Common Customs Tariff, the EU imposes a base tariff rate of 2.7% on batteries (including cell, module, and ESS batteries) that originate from China. The Commission Implementing Regulation (EU) 2024/2754, which was promulgated by the European Commission, imposed additional tariffs on imports of electric vehicles made in China, ranging from 7.8% to 35.3%, effective from October 30, 2024 for a period of five years. These additional tariffs are only applicable to imports of electric vehicles made in China, thus do not have a direct impact on us. However, such additional tariffs may affect certain of our automotive customers who export to the EU and, in turn, may have an indirect impact on us.

HISTORY AND CORPORATE STRUCTURE

OVERVIEW

The founding team led by Mr. Zeng Yuqun established our Company in 2011. Prior to founding our Company, Mr. Zeng Yuqun was involved in the establishment of Amperex Technology Limited (“ATL”) in 1999, which was mainly engaged in the research and development, production and sales of consumer lithium batteries. In 2005, TDK Corporation (a company listed on the Tokyo Stock Exchange, stock code: 6762) acquired 100% equity interest of ATL and retained Mr. Zeng Yuqun to continue overseeing the management of ATL until March 2017. In 2011, the founding team represented by Mr. Zeng Yuqun keenly observed the potential of EV batteries and ESS batteries and founded our Company, with Mr. Zeng Yuqun serving as a director since our establishment to May 2013. Since June 2017, Mr. Zeng Yuqun has been serving as the chairman of our Board. After years of development, our Company has grown into a globally leading innovative new energy technology company, primarily engaged in the research, development, production, and sales of EV batteries and ESS batteries. We promote the transition from mobile and stationary fossil energy sources to sustainable alternatives, as well as creating integrated innovative solutions for new applications through advancements in electrification and intelligent technologies.

In June 2018, the A Shares of our Company were listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 300750).

KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

The following table sets forth our Group’s key corporate and business development milestones:

Year	Milestone
2011	The founding team established our Company in Ningde City, Fujian Province.
2012	We entered into strategic partnership with BMW Group, attaining market recognition worldwide.
2015	We acquired Guangdong Brunp to penetrate the battery recycling and regeneration industry chain.
2017	We ranked No. 1 globally in terms of usage volume of EV batteries for the first time.
	We established a joint venture with SAIC Motor, deepening the strategic cooperation with our customers through a joint venture approach for the first time.

HISTORY AND CORPORATE STRUCTURE

Year	Milestone
2018	Our Company was listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 300750). We established our first overseas battery manufacturing base in Thuringia, Germany.
2020	We established 21C Lab to align with the world's top-notch laboratories, focusing on the R&D of new energy-related cutting-edge technologies.
2021	We ranked No. 1 globally in terms of shipments of ESS batteries for the first time. Our Ningde plant was recognized as a member of the Global Lighthouse Network by the World Economic Forum.
2022	We invested in the construction of a battery manufacturing base in Debrecen, Hungary. Our Yibin plant was certified as the world's first zero-carbon battery factory and recognized as a member of the Global Lighthouse Network by the World Economic Forum.
2023	We were recognized as a Fortune 500 company by Fortune.
2024	We announced a partnership with Stellantis N.V. to invest in the construction of a battery factory in Spain.

OUR MAJOR SUBSIDIARIES

We have been continuously expanding our business since inception, and had over 300 subsidiaries as of the Latest Practicable Date to facilitate rapid and effective implementation of our strategies.

HISTORY AND CORPORATE STRUCTURE

Our Major Subsidiaries and their respective principal business activities, dates of establishment and jurisdictions are set out below:

Name	Principal business activities	Date of establishment and jurisdiction
CATL-JS	EV batteries and ESS batteries related business	June 30, 2016, PRC
UABC	EV batteries and ESS batteries related business	June 8, 2017, PRC
CATL-SC	EV batteries and ESS batteries related business	October 15, 2019, PRC
CATL-FD	EV batteries and ESS batteries related business	January 14, 2021, PRC
CATL-RQ	EV batteries and ESS batteries related business	February 8, 2021, PRC
CATL-RT	EV batteries and ESS batteries related business	May 24, 2021, PRC
CATL-HK	Trade and investment	April 1, 2016, Hong Kong, PRC
CATT	Manufacture and sales of batteries and provision of technical services	September 11, 2018, Germany
CATH	Manufacture and sales of batteries and provision of technical services	February 4, 2022, Hungary
Hunan Brunp	Lithium-ion battery materials and recycling business	January 11, 2008, PRC
Ningbo Brunp	Trade business of lithium-ion battery materials	December 2, 2019, PRC

Our Company held the entire or majority of the equity interest in the above Major Subsidiaries throughout the Track Record Period.

HISTORY AND CORPORATE STRUCTURE

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Establishment and Early Development

On December 16, 2011, our Company was established in Ningde City of Fujian Province as a limited liability company with an initial registered capital of RMB1 million.

Conversion into a Joint Stock Limited Liability Company and Listing on the ChiNext of the Shenzhen Stock Exchange

In December 2015, our Company accomplished all procedures required to convert from a limited liability company to a joint stock limited liability company.

In June 2018, we completed the issuance and listing of our A Shares on the ChiNext of the Shenzhen Stock Exchange (stock code: 300750). In the A-Shares listing, we issued an aggregate of 217,243,733 A Shares, accounting for 10% of our Company's total share capital immediately following the A Share listing.

Private Placement of A Shares in June 2022

As approved by the Shareholders in August 2021 and the CSRC in April 2022, our Company conducted a private placement of its A Shares to raise funds for various development initiatives, including the construction of new lithium-ion battery production projects and the implementation of advanced technology R&D projects. A total of 109,756,097 A Shares were issued in the placement to 22 investors, all of whom were Independent Third Parties. The placement raised net proceeds of approximately RMB44.87 billion. Following the completion of the private placement, the Company's total issued share capital increased to 2,440,607,297 A Shares.

Except for the outstanding Share Incentives under the Share Incentive Plans, the dilution effect of which is detailed in "Appendix VI — Statutory and General Information — 4. Share Incentive Plans" to this prospectus, there were no other outstanding options, warrants, or convertible securities that could potentially affect the shareholding structure of our Company as of the Latest Practicable Date.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Our Company had not carried out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

HISTORY AND CORPORATE STRUCTURE

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

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

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

Public Float

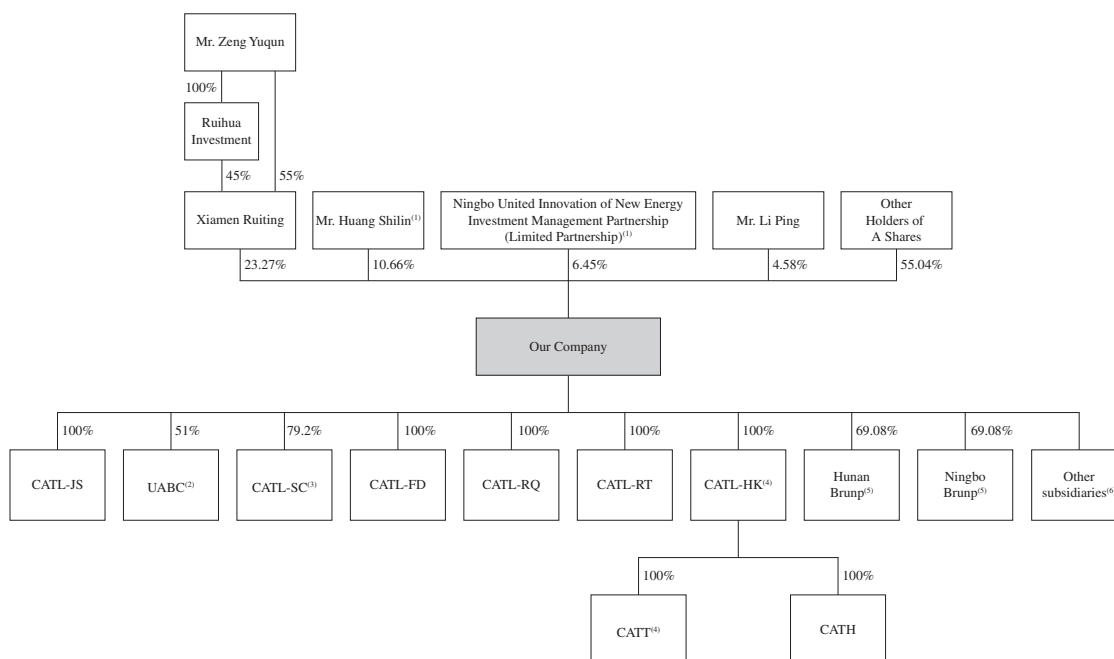
To the best of our Company's knowledge, immediately following the completion of the Global Offering (assuming (i) the Offer Size Adjustment Option and the Over-allotment Option are not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing), over 50% of our Shares (including our H Shares and A Shares) will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules.

HISTORY AND CORPORATE STRUCTURE

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately before the Global Offering

The following chart depicts a simplified shareholding and corporate structure of our Group immediately before the completion of the Global Offering, assuming that no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing:



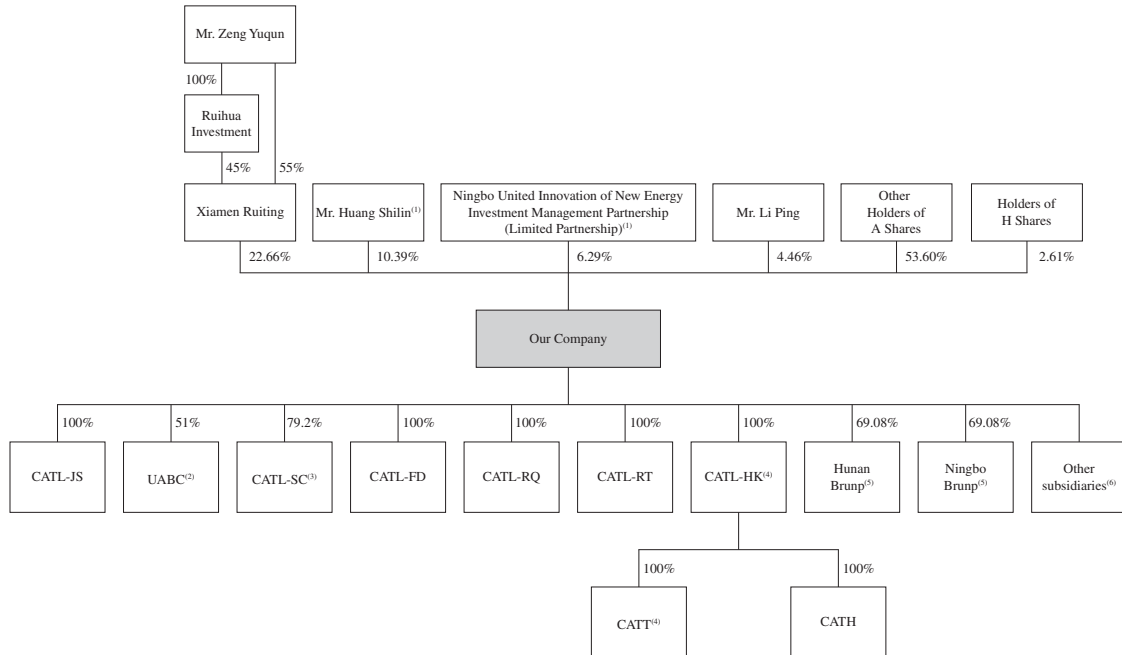
Notes:

- (1) For details of the beneficial ownership of each of Mr. Huang Shilin and Ningbo United Innovation of New Energy Investment Management Partnership (Limited Partnership), please refer to the section headed “Substantial Shareholders.”
- (2) As of the Latest Practicable Date, UABC was 49.00% owned by Shanghai Automotive Group Investment Management Co., Ltd. (上海汽車集團投資管理有限公司), a wholly-owned subsidiary of SAIC Motor Corporation Limited (上海汽車集團股份有限公司), whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600104).
- (3) As of the Latest Practicable Date, CATL-SC was 20.80% owned by Luoyang Guohong Investment Holding Group Co., Ltd. (洛陽國宏投資控股集團有限公司), a state-owned capital investment and operation company specializing in the industrial sector.
- (4) As of the Latest Practicable Date, CATL-HK indirectly held 100% equity interest in CATT through its wholly-owned subsidiary Contemporary Amperex Technology Luxembourg S.à r.l.
- (5) As of the Latest Practicable Date, each of Hunan Brunp and Ningbo Brunp was wholly owned by Guangdong Brunp. Mr. Li Changdong (李長東), Ningde Amperex Technology Co., Ltd. (寧德新能源科技有限公司) (an Independent Third Party), Ningbo Mengchuang Investment Co., Ltd. (寧波盟創投資有限公司) (“**Ningbo Mengchuang**”), and Mr. Li Jingwen (李景文) held approximately 12.94%, 7.14%, 7.14%, and 3.69% equity interests in Guangdong Brunp, respectively. Ningbo Mengchuang was controlled by Mr. Li Changdong. Both Mr. Li Changdong and Mr. Li Jingwen served as directors of our subsidiaries.
- (6) As of the Latest Practicable Date, we had over 300 subsidiaries, including our Major Subsidiaries and other ones incorporated in various jurisdictions.

HISTORY AND CORPORATE STRUCTURE

Shareholding and Corporate Structure upon Completion of the Global Offering

The following chart depicts a simplified shareholding and corporate structure of our Group upon completion of the Global Offering, assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing:



Notes (1) to (6): see “— Shareholding and Corporate Structure Immediately before the Global Offering.”

OVERVIEW

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

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

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

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

EV Battery¹

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

37.9%

Global Market Share in 2024

No. 1 in Non-China Markets

In 2024

27.0%

In 2024

ESS Battery²

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

36.5%

Global Market Share in 2024

Select Markets³

**72% of the High-End
Passenger EV**

Market in China

80% of the E-Bus

Market in China

71% of the E-Truck

Market in China

R&D⁴

RMB71.8 Bn

Cumulative R&D Spent from 2015
to 2024

43,354 Patents

Authorized/pending

Products

**TECHNOBEST 2024 Award,
AUTOBEST**
Shenxing battery

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

Manufacturing

**Largest Globally:
676 GWh**

Production Capacity, 2024

**World's Only
3 Lighthouse Factories**

In the Lithium-ion Battery Industry

DPPB

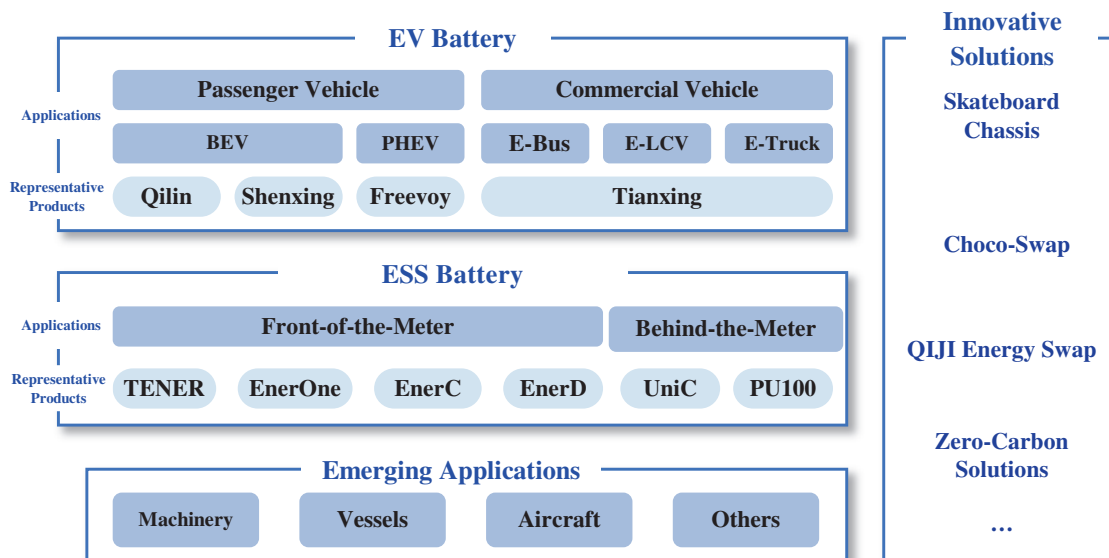
Single-Cell Failure

Notes:

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

Our Business

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



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

Our Innovations

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

- In 2011, we participated in the world's largest wind and solar energy storage and transmission project — the Zhangbei energy storage project.
- In 2014, we mass-produced the world's first large prismatic NCM battery cell.
- In 2016, we were the first in the world to apply CTP technology to E-Bus.
- In 2018, we pioneered the mass production of prismatic NCM811 high-nickel batteries.
- In 2019, we were the first in the world to apply CTP technology to PV.
- In 2021, we released the world's highest energy density sodium-ion battery, and introduced the AB battery system.
- In 2022, we launched the Qilin battery, utilizing 3rd generation CTP technology, achieving the highest volume utilization of 72% globally.
- In April 2023, we unveiled the world's first condensed battery with a cell level energy density of up to 500 Wh/kg.
- In August 2023, we released the world's first 4C superfast charging LFP battery, Shenxing.
- In April 2024, we unveiled TENER, the world's first ESS featuring zero degradation in power and capacity over 5 years, while offering high single container energy capacity of 6.25 MWh.
- In July 2024, we launched the Tianxing series for various CV applications, tailor-made for E-Bus, E-LCV, and E-Truck, effectively addressing key industry pain points of CV, including limited driving range, slow energy replenishment, and rapid battery degradation.
- In October 2024, we launched Freevoy Super Hybrid Battery, the world's first hybrid vehicle battery to achieve a pure electric range of over 400 km and 4C superfast charging.
- In December 2024, we unveiled the Bedrock Chassis, the world's first ultra-safe skateboard chassis that has successfully passed the dual extreme safety test.

Our Global Presence

Our business spans the globe. We adopt a “customer-centric” approach and established various long-term and in-depth strategic partnerships with globally renowned automotive OEMs, ESS integrators, project developers or operators. By the end of 2024, nine out of the top ten global automotive OEMs by EV sales volume are our customers, according to the GGII Report. Our automotive OEM customers include BMW, Mercedes-Benz, Stellantis, Volkswagen, Ford, Toyota, Hyundai, Honda, Volvo, SAIC, Geely, NIO, Li Auto, Yutong, and Xiaomi. Our ESS customers and partners include NextEra, Synergy, Wärtsilä, Excelsior, Jupiter Power, Flexgen, China Energy Group, State Power Investment Corporation, China Huaneng Group, China Huadian Group and China National Petroleum Corporation. We further strengthen our collaboration with global customers through equity investments, JVs, and technology licensing. In 2024, 30.5% of our revenue was generated from overseas markets. As of December 31, 2024, we have established a global network of over 770 after-sales service stations, among which 169 are located overseas, continuously providing high-quality service to our global customers.

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

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

Our Financial Performance

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

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

Our Sustainability Initiatives

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

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

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

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

COMPETITIVE STRENGTHS

Competitive Full-Chain R&D Moat Built on Our Solid Experience and Proven Methodology

Lithium-ion batteries are critical components in the global transition to clean energy and low-carbon society. Developing and mass-producing lithium-ion batteries that combine at the same time outstanding safety, performance, high quality, and cost effectiveness are extremely challenging, which requires a comprehensive understanding and application of multiple

disciplines such as electrochemistry, thermodynamics, and molecular dynamics, as well as fundamental theories across micro, meso, and macro scales, in addition to strong technical design, manufacturing, and quality control capabilities.

With more than 25 years in the lithium-ion battery industry, our team has accumulated extensive experience in developing, designing and manufacturing lithium-ion batteries. As a result, we cultivated a unique R&D methodology, and through continuous upgrades and optimization, we have been pioneering large-scale commercialization of EV and ESS batteries. From 2015 to 2024, our cumulative R&D expenses amounted to RMB71.8 billion. As of December 31, 2024, our R&D team comprised more than 20,000 professionals. We built a robust full-chain innovation system and self-developed highly efficient and smart R&D platforms. Leveraging extensive, multi-scenario customer and end-user feedback, we consistently enhance our R&D and product design capabilities, ultimately creating a deep and competitive R&D moat.

Proprietary Full-Chain R&D

We possess proprietary full-chain R&D capabilities, from battery material, cell, module, system to downstream applications. Our R&D covers the entire process and full product life cycle from battery material R&D, product development, process and engineering design, testing and analysis, intelligent manufacturing, to recycling. These further enable us to have systems thinking, which allows us to deeply understand the interconnections of various elements during different stages, facilitating efficient innovation and product development. At the same time, our proprietary full-chain R&D capabilities allow us to have higher resilience and better control over our business operation, and to avoid over-reliance on any specific resources.

We seamlessly incorporate three key elements — safety, quality, and cost — into our R&D and manufacturing process, ensuring better delivery of our products. Regarding safety, we conduct R&D and design by simulating full-scenario application conditions and have a unique safety and reliability management system based on mechanism research, system safety technology, system reliability analysis technology, and model quantization technology. Through our extreme manufacturing process, we have reduced the failure rate of battery cells from DPPM to DPPB. To ensure product quality, we have set over 7,000 quality control points at critical production stages and implemented robust evaluation mechanisms. As to cost management, we apply proprietary PSL to significantly increase production pace, improve production yield, increase productivity per capita and reduces overall unit costs.

Highly Efficient and Smart Platforms

Built on massive data and advanced algorithms, we conduct modelling simulation by utilizing multi-physics, multi-scale, and multi-parameter process, consequently enhancing our R&D efficiency through a digital and smart R&D approach.

We self-developed material high-throughput computing platform, smart battery cell design platform, and smart process design platform, among others. We employ high-throughput computing, multi-scale simulations, and other cutting-edge technologies, and through material screening, decoding and transformation, we efficiently explore electro-chemistries with better performance, reliability and cost-effectiveness. From experimental reverse design to predictive forward design, we integrate technical advantages across battery materials, design, processes, and equipment, which allows us to substantially reduce cell design period compared to conventional manual methods. We digitize our entire manufacturing process, from development of new process to mass production, which deepens the synergy between process design and intelligent manufacturing, optimizes product development pathways, and enables our real-time adjustments.

Extensive Customer Feedback from Diversified Applications

Based on our robust collaboration with our extensive customer base, we can gather feedback on our products from various applications and gain valuable insights into the experiences and pain points of end-users. We consistently integrate these real-world feedback with our R&D lab data, allowing us to effectively enhance product performance and optimize our solutions, and further form a positive self-reinforcing loop.

Comprehensive and Advanced Product Matrix, Continuously Trendsetting the Industry

We have deep insights into industry trends, and multiple times preemptively identified the best technology direction and launched innovative products. Since inception, we pioneered the high-capacity cells for CV, high-nickel NCM batteries, and module-free CTP designs, successfully achieving large-scale commercialization of these products. In addition, we have introduced innovative products such as sodium-ion batteries with high energy density, M3P batteries, and condensed batteries, continually driving industry development. As a result, we cultivated the most comprehensive and advanced product matrix in the industry, leading with performance characteristics such as high energy density, long life cycle, fast charge rates, wide operating temperature range, and outstanding safety. All of these contribute to our products' wide adaptability to PV, CV, ESS, and new applications, providing optimal solutions for customers and end-users.

In the PV sector, our Qilin battery is the industry's first NCM battery achieving 5C superfast charging and being capable of delivering a driving range exceeding 1,000 km. It was named one of TIME Magazine's Best Inventions of 2022 and was awarded the title of Most Innovative Automotive Supplier "Alternative Powertrains" by the Center of Automotive Management in Germany. Our Shenxing battery is the world's first LFP battery to achieve 4C superfast charging, earning the 2024 TECHNOBEST Award from AUTOBEST. Our Freevoy battery is the world's first hybrid vehicle battery capable of exceeding 400 km of pure electric range while supporting 4C superfast charging. In the CV sector, our Tianxing battery series is tailored for E-Bus, E-LCV and E-Truck, effectively addressing sector pain points such as range anxiety, slow charging, and rapid battery degradation. In the ESS sector, our TENER system

is the world's first ESS with zero degradation in power and capacity over 5 years, achieving single container energy capacity up to 6.25 MWh while offering outstanding safety, long life cycle, and high integration advantages.

As a result, we preemptively and systematically capitalize on market opportunities and secure a leading position across various markets. We have maintained the No. 1 global market share in EV batteries for eight consecutive years, while our ESS batteries have held the top position for four consecutive years. In select markets, including the high-end PV market with demanding performance standards and significant technical challenges, as well as the high-usage CV markets, we are highly recognized by our customers and achieve even greater market shares through our exceptional products.

Multi-Dimensional Expansion Creating a Dominant Position in Emerging Areas

Leveraging our deep understanding of and continuous innovation in EV and ESS batteries, we proactively identify and seize emerging market opportunities. We tailor products and solutions that meet the performance requirements of new application scenarios, pioneering the expansion of electrification into areas such as machinery, vessels, aircraft and others. At the same time, we have successively launched innovative solutions such as Skateboard Chassis, Choco-Swap and QIJI Energy Swap, empowering our customers, expanding our applications, enhancing the end-user experience, and promoting comprehensive electrification.

We are the first battery company to receive recognition and certification from the China Classification Society (CCS) under the “Guidelines for the Inspection of Pure Electric Powered Ships.” We established a wholly-owned subsidiary, CAES, which has become the world's first solution provider for electric vessels covering their entire life cycles. As of December 31, 2024, over 700 electric vessels globally had been equipped with our batteries. In 2023, we launched our condensed battery with a cell energy density of up to 500 Wh/kg, which simultaneously achieves high energy density and excellent safety, opening up new electrification possibilities for passenger aircraft.

Our Skateboard chassis features body-chassis separation, high integration, and open architecture, promoting more modular, bespoke, and intelligent automobile designs, and significantly improving development efficiency for our automotive customers, shortening their new models R&D cycles. In addition, our Bedrock chassis was the first in the world to pass the dual extreme safety test of “highest speed plus strongest impact” by the Automotive Safety Technology Center of China Automotive Engineering Research Institute Co., Ltd. (中國汽研汽車安全技術中心). Our Choco-Swap offers high adaptability and flexibility to various PV models, effectively improving energy replenishment efficiency and enhancing the end-user experience through fast battery swapping. Meanwhile, our QIJI Energy Swap system delivers a more environment friendly, economical, and efficient energy replenishment solution for the E-Truck sector.

Pioneering Zero Carbon Practice, Building Zero Carbon Ecosystem***Pioneering Zero Carbon Practice***

In 2023, we launched our “Zero Carbon Strategy,” establishing clear carbon neutrality goals: achieving carbon neutrality by 2025 in our core operations and by 2035 across the value chain. To fully advance the achievement of zero-carbon goals, we are implementing energy-saving upgrades and renewable energy utilization across our manufacturing bases. We actively promote the construction of zero-carbon factories, develop renewable energy projects, and increase the proportion of green electricity usage. As of December 31, 2024, we had 9 certified Zero Carbon Factories and had obtained utility-scale renewable energy capacity quota totaling 4.8 GW. Furthermore, we have established a self-sustaining closed loop consisting of battery production, usage, cascade utilization, and recycling. In 2024, we had recycled approximately 128,700 tons of retired batteries and wasted materials, from which approximately 17,100 tons of lithium compounds was regenerated. Our global recycling network has covered 60 partners in 26 countries and regions.

We also collaborate with key suppliers to comprehensively reduce carbon emissions throughout the supply chain. We utilize the CREDIT value chain sustainability auditing program to conduct sustainable management reviews of our suppliers, while relying on the CATL Carbon Chain Management System to expand our product carbon footprint database. As of December 31, 2024, we have completed the collection and import of carbon footprint data for over 300 raw materials. In 2024, the carbon footprint of our anode and cathode materials was reduced by 18.62% compared to the level in 2023.

Building Zero Carbon Ecosystem

The global trend of carbon reduction presents significant market opportunities; however, building a zero-carbon society is exceedingly challenging, and reliable solutions are yet to be developed. Leveraging our product and business advantages, coupled with our own carbon reduction practices, we have launched a series of pilot projects and demonstration initiatives at both the industrial park and city levels, in order to create highly integrated zero-carbon solutions, establish a zero-carbon ecosystem and facilitate the development of a zero-carbon society.

Our leading batteries are critical to the transition toward clean energy and low-carbon society. As of the Latest Practicable Date, we had cumulatively delivered over 1.5 TWh of battery products, which have been widely adopted in core areas of zero-carbon development, including transportation and electricity. We also provide innovative products and solutions such as battery swapping services, solar-storage-charging-battery inspection system and grid-forming ESS. In addition, we have been developing a low-carbon digital energy cloud platform and an energy management system to facilitate the intelligent interconnection, scheduling, and management of green energy. By doing so, we are able to provide a zero-carbon solution that comprehensively covers the needs of generation, grid, load, and storage of electricity.

We signed strategic corporation agreements with various enterprises, such as Conch Group, Xiamen Road & Bridge, and Nanjing Iron and Steel, to construct zero-carbon industrial park level projects. We also launched zero-carbon pilot projects in provinces and cities like Hainan and Tianjin. By implementing and promoting sophisticated system engineering initiatives, we advance the infrastructure underlying a zero-carbon society.

Leading Global Footprint with Unparalleled Capabilities

We have the largest lithium-ion battery production capacity in the world, with an industry-leading global footprint. Our production capacity reached 676 GWh in 2024. We have established the Thuringia factory in Germany, and are actively preparing and advancing our plant in Hungary, our JV factory with Stellantis in Spain, and our battery value chain projects in Indonesia.

Lithium-ion battery companies face numerous challenges in overseas operations, such as unfamiliarity with local markets, high barriers to customer relationships, elevated construction costs, differences in legal systems and regulatory policies, cultural differences, and inadequate operational support systems. We manage to continue to overcome these challenges, ensuring stable operations at our overseas factories, thus enhancing our global presence. Our leading globalization capabilities primarily stem from the following unique advantages:

- *Extensive Customer Base and Abundant Orders:* We engage in comprehensive and deep cooperation with overseas customers. By actively meeting their diverse requirements through self-built capacity, JVs, technology licensing and the LRS (license, royalty, service) model, we have attracted long-term, abundant, and stable backlog of overseas orders.
- *Valuable Overseas Construction and Operational Experience:* We began constructing our Germany factory back in 2018, which commenced operations in 2022. Through years of continuous exploration, we have accumulated invaluable experiences in shortening construction cycles, enhancing production line efficiency, meeting environmental and sustainability requirements, conducting local recruitment and training, establishing ancillary supply chains, and managing market development and customer relationships.
- *Purpose-designed Factories and Production Lines:* To address the challenges of slow construction and high costs associated with overseas factories, we have developed small, standardized and modular facilities specifically for overseas manufacturing bases, effectively shortening construction time. Simultaneously, to lower reconfiguration costs and optimize efficiency, we developed highly intelligent reconfigurable production lines, capable of reducing configuration switching time and significantly enhancing production line flexibility and efficiency. In addition, by elevating automation levels, we further increased productivity per worker. We continuously refine these designs and apply them in subsequent overseas factory constructions, significantly enhancing our investment returns.

- *Comprehensive Resource Support:* We have established a global support system encompassing sales, after-sales services, and logistics. We operate 169 service stations across 63 countries and regions overseas, providing global customers with efficient one-stop service through effective business integration. In addition, we have built an international framework for supporting functions. We replicate our domestic expertise abroad, creating a comprehensive system befitting our overseas operations and providing support for the sustainable expansion of our international operations.

These unique advantages stem from our long-term operations and form the foundation for our global expansion, establishing our globalization capability that is difficult to replicate.

GROWTH STRATEGIES

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

Our Three Strategic Directions

- Centering around *Electrochemical Energy Storage + Renewable Energy Generation*, we focus on replacing stationary fossil fuels and reducing reliance on fossil fuel power generation.
- Centering around *EV Battery + NEV*, we aim to facilitate the replacement of mobile fossil fuels, thereby eliminating dependence on petroleum in the transportation sector.
- Centering around *Electrification + Intelligentization*, we promote integrated innovation for new energy applications, providing sustainable, accessible, and reliable energy sources for various industries, and fostering regional zero-carbon ecosystem and green low-carbon transformations across multiple fields.

Our Four Innovative Systems

Innovation is in our DNA and serves as the driving force behind our sustainable development. Guided by our three strategic directions, we have established four innovative systems: “Battery Materials and Electro-chemistries Innovation,” “System Structure Innovation,” “Green Extreme Manufacturing Innovation,” and “Business Model Innovation” to support our business development. We promote the four innovative systems through “open innovation.” We will implement digitalization and intelligent technologies across all stages including R&D, manufacturing, sales, and management, while enhancing the efficiencies in battery material system innovation, cell development and design, and manufacturing process

design. This will facilitate the efficient transformation of scientific advancements into technology, products, and ultimately, successful commercialization and high-quality mass production, ensuring our continued market leadership.

- *Battery Materials and Electro-chemistries Innovation:* We will continue to enhance intelligent development platforms, such as the high-throughput materials integration computing platform. Leveraging advanced algorithms and computing power, we utilize validated platform technologies to conduct atomic-level simulations and design modeling of materials. By identifying fundamental characteristics of key materials and efficiently screening promising material systems, we drive comprehensive innovation in materials and material systems. This accelerates battery design and ensures that we maintain foresight and leadership in the development of new products and technologies.
- *System Structure Innovation:* We will optimize the system structure design of battery packs and chassis integration by leveraging digitized design tools and methodologies, while continuing to iterate and upgrade our existing CTP and CTC technologies. This will improve the integration our battery systems and our skateboard chassis products, resulting in more efficient, safer, and cost-effective products. These innovations effectively facilitate the development of EV and enhance the key performance of EV and ESS.
- *Green Extreme Manufacturing Innovation:* We are dedicated to establishing a green and efficient extreme manufacturing system to ensure the safety and reliability of battery products throughout their life cycle. Through continuous R&D investment and experience accumulation, we have developed and implemented the PSL across our manufacturing bases, achieving an industry-leading single-unit cell failure rate at the DPPB level. Looking ahead, we will leverage technologies such as big data, cloud computing, digital twins, and 3D printing to enhance our industrial digitalization capabilities, optimize production processes, improve product quality and productivity, and create high-quality delivery capabilities at the TWh scale.
- *Business Model Innovation:* We will fully leverage the advantages of our existing business, and continue to expand into new application scenarios, including machinery, vessels, aircraft and others. We successfully launched Choco-Swap, QIJI Energy Swap and various other innovative solutions. At the same time, leveraging our extensive experience in carbon reduction across operations and the value chain, we will use regional pilot projects as entry points to actively promote the implementation of zero-carbon technology products and solutions. This will support the development of regional zero-carbon ecosystems and drive green, low-carbon transitions across various sectors.

We believe that achieving a global green and low-carbon transition requires communal dedications. We will continue to uphold the spirit of open innovation and implement the four innovative systems and the complementary strengths of internal and external innovation capabilities. By doing so, we will help achieve the efficient allocation of resources across society, drive technological progress together with other forces, and ultimately yield shared benefits and mutual success for all.

OUR PRODUCTS AND SOLUTIONS

We are primarily engaged in the R&D, production, and sales of EV batteries and ESS batteries, with a focus on electrification and intelligentization to drive integrated innovation in market applications. Our core technological advantages and sustainable R&D capabilities span across multiple sectors of the industry chain such as battery materials, battery systems, and battery recycling, allowing us to establish a comprehensive and well-developed production and service system.

Our main products include EV batteries, ESS batteries and related battery materials. Based on our solid experience, proven methodology, full-chain R&D capabilities, and other underlying factors, our products have maintained a leading position in the industry for a long time. With 25 years of specialization in the lithium-ion battery industry, our team has accumulated extensive R&D, design and manufacturing expertise, which has led to our distinct innovation methodology. Through continuous iteration and optimization, we have pioneered the large-scale commercialization of EV batteries and ESS batteries. We comprehensively master multidisciplinary fundamentals including electrochemistry, thermodynamics, and molecular dynamics, along with integrated application capabilities across micro, meso, and macro scales. We excel in process engineering, manufacturing technology, and quality control, while maintaining an innovative R&D ecosystem that features a full-chain innovation system, highly efficient and smart R&D platforms, and massive customer and end-user data feedback covering multiple scenarios.

For material and material system, leveraging the intelligent R&D platform independently developed by us based on years of experience, we can achieve efficient material screening, upgrade the performance of our products applying existing chemistries, and pioneer the launch of emerging chemistries. For the system structure, we have taken the lead in realizing efficient integration of battery systems through CTP technology, and introduced CTC technology to further enhance the efficiency of integrating batteries into the chassis. For green extreme manufacturing, we utilize big data, cloud computing, digital twin simulation, 3D printing, and other technologies to improve digital capabilities, optimize production processes, increase production efficiency, enhance product quality, and achieve the industry-leading DPPB level of single-cell failure rate. The full-chain R&D barriers and continuous innovation capabilities have enabled us to build the most comprehensive and advanced product portfolio, delivering outstanding performance, such as high energy density, long life cycle, high charging rate, wide operating temperate range, and superior safety.

EV Batteries

Our EV battery products include battery cells, battery modules/racks, and battery packs, offering products with a diverse range of chemistries that cover different energy density ranges. These products include, among others, LFP batteries, high-voltage mid-nickel ternary batteries, high-nickel ternary batteries, sodium-ion batteries, M3P batteries, and condensed batteries. Our EV battery products are designed to meet a variety of functional requirements, such as fast charging, long life cycle, long driving range, high safety, and wide operating temperature range.

PV Applications

We provide a variety of products based on the diverse needs of customers in the PV application scenario.

To meet the diverse needs of PV users regarding charging speed, range, and power, we have introduced a series of products represented by the Qilin battery and Shenxing battery, the key characteristics of which are set forth below:

- The Qilin battery utilizes the CTP 3.0 technology to integrate cells of high-nickel ternary battery or other chemistries, featuring high energy density, superior fast-charging performance, and excellent safety. Qilin battery offers an energy density of up to 255 Wh/kg and achieves a maximum 5C fast-charging capability. It is capable of delivering a range exceeding 1,000 km with one charge. We have launched several versions of the Qilin battery, including high power, long driving range, superfast charging, and all-around performance.
- The Shenxing battery is the world's first LFP battery to achieve 4C fast charging. It features excellent fast-charging performance, strong low-temperature performance, and cost-effectiveness. We have launched several versions for the Shenxing battery, including superfast charging, long life cycle, all-around performance, and the Plus version. Its energy density can reach up to 205 Wh/kg.

To meet the needs of PHEV users for extended electric range, low-temperature performance, and fast energy replenishment, we have introduced a series of products represented by the Freevoy battery, the key characteristics of which are set forth below:

- The Freevoy battery is the world's first hybrid battery to offer over 400 km of pure electric range combined with 4C fast charging. It features long pure-electric driving range, excellent low-temperature performance, and superior fast-charging capabilities. We have launched several versions for the Freevoy battery, including the "Lithium and Sodium AB" and "High Performance".

CV Applications

To meet customer demands for stability, life cycle, and high-frequency usage, we have launched a series of products represented by our Tianxing battery, precisely tailored for CV applications, such as E-Bus, E-LCV, and E-Truck. The key characteristics of our Tianxing battery are set forth below:

- For time-sensitive scenarios such as logistics and platform-based order fulfillment, we offer Tianxing L — Fast Charge and Tianxing L — Long Range, with a lifespan of up to eight years and 800,000 km. For E-Bus, we offer Tianxing Bus version with a design lifespan of up to 15 years and 1.5 million km. In addition, for E-Truck with a design lifespan of up to 15 years and 3 million km, our Tianxing battery for heavy CV maintains reliability and stability even in harsh environments like mines and construction sites.

Emerging Applications

Beyond the application mentioned above, our EV batteries are also expanding into emerging application scenarios such as machinery, vessels, aircraft and others.

In addition, we continuously innovate and conduct R&D in select sectors such as power tools and electric two-wheelers, while also offering innovative medium-sized smart battery products.

Innovative Solutions

Skateboard Chassis

Our skateboard chassis products are characterized by body-chassis separation, high level of integration, and an open structure: (i) body-chassis separation: separating the vehicle body from the chassis allows automotive OEMs to flexibly develop a variety of vehicle models on the same chassis architecture, shortening their new model R&D cycle, significantly reducing their initial R&D costs; (ii) high level of integration: we utilize CTC technology, highly integrating key components such as the battery, motor, inverter, steer, brake, and suspension. This improves space utilization and optimizes the overall vehicle structure; and (iii) open structure: our skateboard chassis features standardized connection interfaces and an open software framework, facilitating customized development for automotive OEM partners and promoting joint innovation and resource sharing. In addition, our ultra-safe Bedrock Chassis was the first in the world to pass the dual extreme safety test of “highest speed plus strongest impact” by the Automotive Safety Technology Center of China Automotive Engineering Research Institute Co., Ltd..

Battery Swapping Solutions

We have launched the Choco-Swap and QIJI Energy Swap solutions to address the specific application scenarios and end-user needs of PV and CV, respectively. We establish our battery swapping network through self-construction, co-construction with third parties, joint ventures and other means, leasing or selling standardized battery products, and providing battery swapping services. The Choco-Swap offers standardization, high compatibility, and convenience, adopted a wide range of vehicle models with strong flexibility. Through quick battery swapping, it significantly enhances energy replenishment efficiency and the overall experience for PV end-users. The QIJI Energy Swap solution consists of elements such as swappable batteries, swapping stations, and a cloud platform, providing a more environment friendly, economical, and efficient one-stop energy replenishment solution for the E-Truck sector.

ESS Batteries

Our ESS batteries encompass battery cells, battery racks, containers, and relevant systems, primarily utilizing LFP chemistries. Our ESS batteries are highly integrated, safe, and flexible, effectively addressing industry pain points, such as high costs and large space requirements. Based on the diverse application scenarios covering the power generation, grid, and load, as well as the entire full life cycle economics of our products, we have developed multiple specialized battery cells, such as 280Ah, 306Ah, 314Ah and 587Ah, and feature ultra-long life cycle, high safety, and wide operating temperature range.

Our ESS batteries are widely used in various FTM and BTM applications, including but not limited to utility energy storage, industrial and commercial storage and data centers.

- **FTM Applications:** Primarily include large-scale ESS projects on the power supply side, grid side, and other similar applications. We have launched the EnerOne and EnerOne Plus outdoor liquid-cooled battery products, as well as the EnerC, EnerC Plus, EnerD, and EnerX liquid-cooled battery containers designed for all-climate. Furthermore, we have introduced the TENER system, which achieves zero power and capacity degradation over five years with each unit boasting an energy capacity of up to 6.25 MWh per container. It also offers safety, long life cycle, and high integration, meeting users' needs for energy storage safety and cost-effectiveness.
- **BTM Applications:** Primarily include user-side ESS projects, including commercial and industrial energy storage and data center storage applications. Our products cover the full range of scenarios from low-voltage and medium-voltage to high-voltage platforms. Among them, the UniC series products feature long life cycle, simplified operation and maintenance, and low energy consumption cost, making them suitable for diverse industrial and commercial energy storage applications. The PU100 product offers high safety, high power, and easy maintenance, catering to the energy management needs of data centers.

BUSINESS

Our EV batteries and ESS batteries share the same electrochemistry principles basically and are also similar in terms of system structure and manufacturing process. However, in order to adapt to the needs of different downstream application scenarios, EV batteries and ESS batteries have gradually developed different characteristics in terms of performance indicators. As of the Latest Practicable Date, the main indicators and application fields of our EV batteries and ESS batteries are as follows:

Items	Major downstream applications	Cathode material	Energy density at cell level (Wh/kg)	Life cycle (times)	Safety standards
EV Batteries	PV, CV, vessels,	Ternary materials	220-310	2,000-6,000	PV and CV: in compliance with GB38031, GB38032, UN38.3, ECER100.3 and other standards; electric vessels: in compliance with the Rules for Ships Applying Battery as a Power (《船舶應用電池動力規範》), UN38.3 and other standards; electric two-wheelers: in compliance with GB/T36972, UN38.3 and other standards
	electric two-wheelers, etc.	LFP materials	180-200	4,000-10,000	
ESS Batteries	ESS, industrial and commercial energy storage, residential energy storage, portable energy storage, etc.	Primarily LFP materials	140-200	2,000-15,000	ESS: in compliance with GB/T36276, UN38.3, UL9540A, UL1973, IEC62619 and other standards; industrial and commercial energy storage: in compliance with GB31241 and other standards; residential energy storage: in compliance with GB31241 and other standards; portable energy storage: in compliance with GB31241 and other standards

BUSINESS

During the Track Record Period, the sales volume, revenue, average sales price, and gross profit margin for our EV batteries and ESS batteries are set forth in the table below:

For the year ended December 31, 2022				
Items	Sales volume	Revenue	Average sales price	Gross profit margin
	(GWh)	(RMB in thousand)	(RMB/Wh)	
EV batteries	242	236,593,497	0.98	14.1%
ESS batteries	47	44,980,277	0.96	14.0%

For the year ended December 31, 2023				
Items	Sales volume	Revenue	Average sales price	Gross profit margin
	(GWh)	(RMB in thousand)	(RMB/Wh)	
EV batteries	321	285,252,917	0.89	18.1%
ESS batteries	69	59,900,522	0.87	18.7%

For the year ended December 31, 2024				
Items	Sales volume	Revenue	Average sales price	Gross profit margin
	(GWh)	(RMB in thousand)	(RMB/Wh)	
EV batteries	381	253,041,337	0.66	23.9%
ESS batteries	93	57,290,460	0.62	26.8%

Battery Material and Recycling

Our battery material products primarily include lithium compounds, precursors, and cathode materials. We also process nickel, cobalt, manganese, lithium, and other materials from used batteries through recycling, producing materials needed for lithium-ion battery manufacturing such as precursors and lithium compounds, which are used for our own battery manufacturing or sold externally for revenue generation. In addition, we channel the collected metal materials for third-party recycling, enabling the effective circular utilization of key metal resources required for battery production. Our Company is continuously expanding recycling channels globally, utilizing advanced technologies to recycle used lithium-ion batteries and production waste, on one hand, to reduce the impact of raw material shortages or supply fluctuations on our production, on the other hand, to ensure a green and low-carbon supply chain, helping us to achieve our zero-carbon goals.

BUSINESS

In addition to recycling waste generated during the battery manufacturing process, we also collect used batteries from recycling sites and partners. We collaborate with customers to create a closed-loop ecosystem of “battery production - usage - cascade utilization - recycling and resource regeneration.” We have established recycling bases globally and formed an extensive, large-scale recycling network to collect retired batteries from recycling outlets and partners. As of December 31, 2024, we had an annual waste battery processing capacity of 270,000 tons, with a nickel, cobalt, and manganese recovery rate of up to 99.6%, and with a lithium recovery rate of up to 93.8%. In 2024, we recycled approximately 128,700 tons of lithium-ion batteries and related waste materials, from which we regenerated approximately 17,100 tons of lithium compounds. After recovering metal resources from used batteries and production waste, the remaining valuable materials can be sold externally for revenue generation. Other solid waste is collected and classified, then entrusted to third parties for safe disposal or comprehensive utilization. Hazardous waste is handled by qualified disposal units for safe treatment or recycling.

Battery Mineral Resources

To further secure the supply of key upstream resources and materials required for battery production, we participate in the investment, construction, and operation of battery mineral resources through various means, including self-construction, equity investment, and joint ventures. We have several lithium projects, including Yichun project (Jiangxi) and Snowway Project (Sichuan). We also have a nickel project in Buli, Indonesia, and phosphorus projects in Jiangjiadun, Hubei, and Daping, Guizhou. In addition to processing these minerals in-house, we also collaborate with third party mineral smelting companies or battery material manufacturers. We sell a portion of our mineral resources externally, allowing our partners to further process them into the lithium-ion battery materials we require. During the Track Record Period, the carrying amount of the assets in relation to mineral resources accounted for a small proportion of the total assets of our Group.

The following table sets forth the revenue breakdown by product type for the years indicated:

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

RESEARCH AND DEVELOPMENT**R&D Investment**

We continue to invest substantial capital in R&D and innovation. In 2022, 2023 and 2024, our R&D expenses were RMB15.5 billion, RMB18.4 billion and RMB18.6 billion, respectively.

R&D Institution and Team

We have established R&D centers in Ningde (Fujian), Liyang (Jiangsu), Shanghai, Hong Kong, Xiamen (Fujian), and Germany, etc. In addition, we have set up research institutions, such as the 21C Lab, that is dedicated to cutting-edge new energy technologies. These institutions provide strong organizational support for our continuous innovation. As of December 31, 2024, we had more than 20,000 R&D personnel, including over 570 with a doctoral degree and approximately 5,100 with a master's degree.

R&D System

Based on our understanding of research methodologies and scientific theories including molecular dynamics, electrochemical phase-field methods, and phase diagram theory, and leveraging our extensive experience and technological expertise in the lithium-ion battery industry, we have established a unique R&D and innovation system founded upon first principle thinking. We have established a fully integrated in-house R&D capability spanning from materials, cells, modules, and systems to downstream applications. It covers the entire product life cycle, from material R&D, product R&D, process and engineering design, testing and analysis, and intelligent manufacturing to recycling and reuse. By leveraging digital and intelligent R&D tools, we have incorporated safety, quality, and cost control into our management process. We have established a readiness assessment and management system for new technologies, defining clear requirements from technological elements to platform integration, and then to product development. This approach allows us to proactively identify and manage risks, controlling their scope and reducing R&D costs. At the same time, it sets clear objectives for each stage, strengthens process management, and improves project success rates.

R&D Framework

We have established a R&D framework primarily based on in-house R&D, supplemented by external collaborations. In terms of product development, we adopted an integrated project-based model for our core products, overseen by a cross-functional product decision committee. At project inception stage, we comprehensively consider various factors, including subsequent product development, production, raw material procurement, and cost control. Throughout the development process, we conduct timely reviews of potential risks and issues. Further, at critical stages like pilot production and mass production, the product decision committee assesses risks and makes informed decisions.

Our independently developed intelligent platforms include a material high-throughput computing platform, a smart cell design platform, and a smart process design platform.

In addition, we collaborate with renowned universities and research institutes on joint research and talent development, which has deepened our insights into industry trends and emerging technologies and introduced us new technologies and resources. As a result, our innovation capabilities combine internal and external expertise. We have collaborated with nearly 140 universities and scientific research institutes including Shanghai Jiao Tong University, Xiamen University, Tsinghua University, Huazhong University of Science and Technology, Fudan University, China University of Geosciences, and South China University of Technology. We work on collaborative projects on scientific and technological researches and breakthroughs, with nearly 400 joint projects. We have also set up our post-doctoral center to jointly develop talents in battery raw materials and intelligent manufacturing with well-known universities. Meanwhile, we have established joint industry-university-research innovation platforms with several universities to explore innovative solutions across the entire battery life cycle, including development, manufacturing, and recycling. Together, we are building a sustainable ecosystem for industry development.

INTELLECTUAL PROPERTY

We actively engage in external collaborations on intellectual property. We are a member of WIPO GREEN, an initiative of the World Intellectual Property Organization, and contribute to the application of green energy technologies globally. We leverage our technological capabilities and intellectual property advantages to facilitate the development of the entire industry chain.

As of December 31, 2024, we owned 16,145 registered patents, along with 27,209 patents under application worldwide. Our patents and patent applications encompass various areas, including materials, cells, modules, battery packs, ESS, etc. As of December 31, 2024, we had over 700 software copyrights and over 1,600 registered trademarks. For the management of intellectual property rights in our overseas operations, we have formulated a “Global Patent Guideline” and established an overseas patent portfolio assessment model to protect our innovations and core products. For details about our IP portfolio, see “Appendix VI — Statutory and General Information — 2. Further Information About Our Business — B. Intellectual Property Rights.”

In addition to relying on intellectual property laws and regulations, we also protect our intellectual property through a series of measures, including signing confidentiality agreements and contractual arrangements with employees, suppliers, customers, and other parties. When encountering infringement, we conduct relevant investigations, obtain proper evidence, take appropriate action such as warnings and legal proceedings, to safeguard our legal rights and interests.

During the Track Record Period and up until the Latest Practicable Date, we were not involved in any legal proceedings in relation to infringement of any intellectual property rights which would have any material adverse impacts on our business, financial condition, and results of operations. See also “Risk Factors — Risks Relating to Our Industry and Business — Our success depends on our ability to protect our intellectual property rights. Intellectual property infringement by and disputes with third parties may adversely affect our business, financial condition and results of operations.”

PRODUCTION

Production Framework

We take customer orders and market conditions into consideration for our production planning. The sales department consolidates information from customer orders, such as the delivery requirements and deadlines. Production plans are then determined based on the production capacity of corresponding manufacturing bases and supply chain situation.

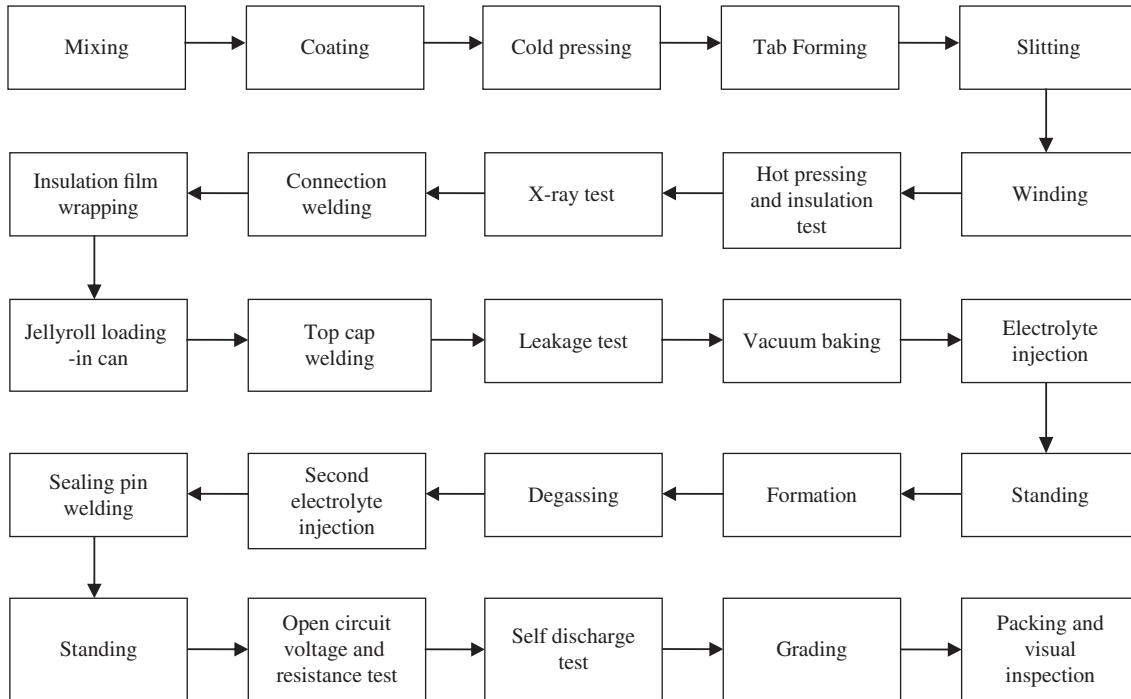
We leverage intelligent and digital methods to enhance production efficiency. By introducing technologies such as machine vision inspection, digital twin simulation, 5G+, and 3D printing, we are driving intelligent manufacturing. This has enabled us to build a production system with multi-dimensional advantages, including production flexibility and efficiency, product quality and consistency, and optimized energy consumption levels.

Manufacturing Process

Our manufacturing process primarily includes the manufacturing of battery cells, modules, packs and battery materials.

The complete manufacturing cycle from battery cells, modules, and to packs varies depending on factors such as product types and order volumes, while the cycle from receiving customer orders to product delivery is generally between one to three months.

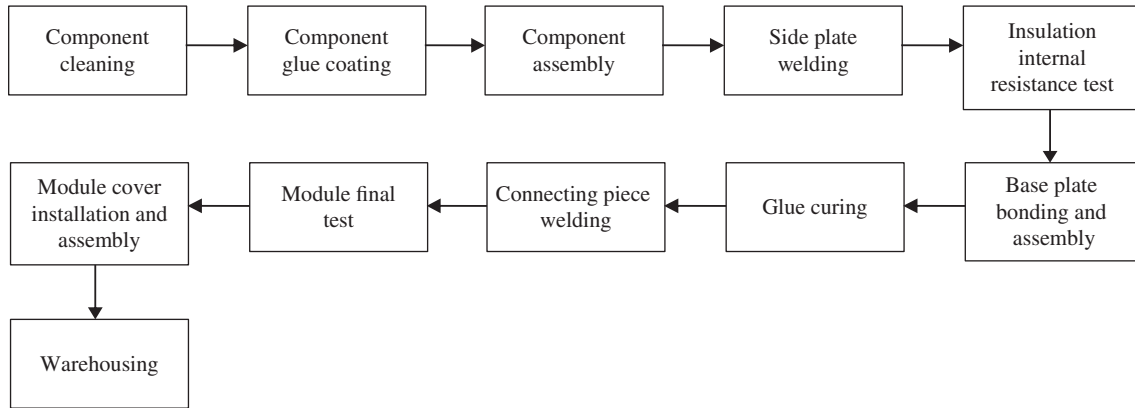
Cell: The manufacturing process of battery cells is complex and requires strict conditions, including cleanliness and humidity control. The following diagram and description illustrate the major manufacturing steps of our cells.



In a strictly controlled manufacturing environment with regulated dust and humidity levels, incoming materials are tested, which will be mixed into slurry according to the specified ratios after passing the test. The cathode is coated onto aluminum foil while the anode is coated onto copper foil to make electrode plates. The electrode plates will then undergo cold pressing, slitting and tab forming. The positive and negative electrodes are separated by a separator membrane and wound into cores of specific sizes and shapes, and then undergo hot pressing, resistance testing, and X-ray test. Soft connection pieces are welded, with insulation film wrapped around the jelly roll. The jelly roll is then inserted into a metal casing, with the top cap welded for leakage testing and vacuum baking. After passing these tests, electrolyte injection and standing processes are carried out, followed by formation, degassing, and sealing pin welding. The batteries will then undergo consistency tests including open circuit voltage, internal resistance, and self-discharge tests, and graded by capacity and packaged for storage.

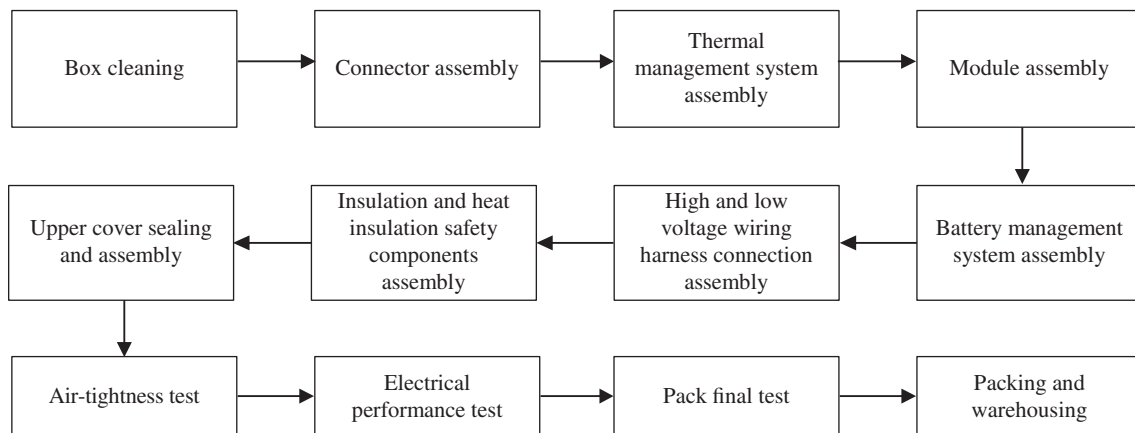
BUSINESS

Modules: A module is composed of multiple battery cells connected in series or parallel, with the number of cells determined by the energy and voltage requirements of the battery. The following diagram and description illustrate the major manufacturing steps of our modules.



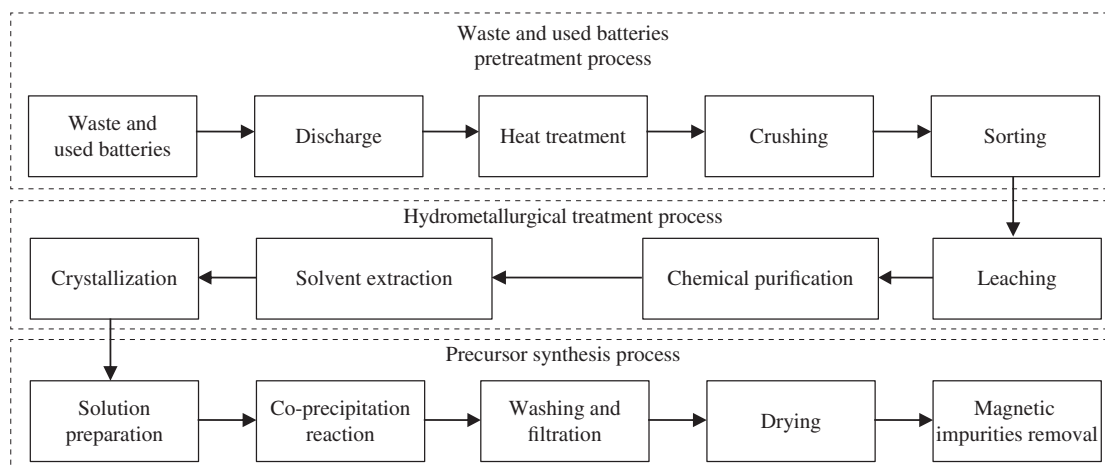
Cells, side plates, and end plates for each module are first paired and cleaned, with glue applied to the cells, side plates and end plates for bonding and the cells enclosed by the side plates and end plates for assembly. Next, side plates are welded and tested for insulation resistance, with the bottom plates bonded and assembled, waiting for the glue to cure before the connecting pieces are welded for module testing. After passing the test, the top cover is assembled and the module is put in storage.

Packs: A pack typically includes a module, battery management system, connectors, and cooling system. The following diagram and description illustrate the major manufacturing steps of our packs.



The box is cleaned, and the required connector harnesses and thermal management system are pre-assembled into the box. The battery modules and battery management system are then separately assembled into the box. The battery modules are then connected one by one using high and low voltage wire harnesses, with safety insulation and thermal components installed, and the boxes sealed by covering them with upper covers to form the battery pack. Air-tightness tests, electrical performance tests, appearance tests are then performed, with the battery packs put in storage after passing those tests.

Battery Materials and Recycling: We use battery recycling technology to produce lithium-ion battery materials. The main products are precursors, and the production process is divided into three stages: the pretreatment of waste and used batteries, the hydrometallurgical treatment process, and the precursor synthesis process. The following diagram and description illustrate the major manufacturing steps of lithium-ion battery materials.



- **Waste and used batteries pretreatment process:** Discharge the remaining power in the waste batteries to ensure the safety of subsequent processing; neutralize hazardous substances in waste batteries through gradient high-temperature treatment; then separate the positive and negative electrode active powders, negative electrode current collectors, positive electrode current collectors, and positive electrode shells using a crushing and sorting system.
- **Hydrometallurgical treatment process:** Dissolve cobalt, nickel, and manganese compounds from the positive electrode active powders obtained in the pre-treatment process using acid; and remove impurity elements such as iron, calcium, magnesium, copper, and aluminum from the solution while performing necessary separation and purification of nickel, cobalt, and manganese.
- **Precursor synthesis process:** Based on the previous process, the production department formulates solutions according to process requirements, and produces ternary precursor products through reactions, filtration, washing, drying, and impurity separation.

BUSINESS

Manufacturing Bases

We possess the world's largest lithium-ion battery production capacity and an industry-leading global presence. As of December 31, 2024, we had 13 major battery manufacturing bases around the globe, including 11 major domestic manufacturing bases located in Ningde (Fujian), Xining (Qinghai), Liyang (Jiangsu), Yibin (Sichuan), Zhaoqing (Guangdong), Shanghai, Xiamen (Fujian), Yichun (Jiangxi), Guiyang (Guizhou), Jining (Shandong), and Luoyang (Henan), and two overseas manufacturing bases — the Thuringia factory in Germany and the Debrecen factory in Hungary. The following table sets forth the production capacity and capacity utilization rate of our production facilities and other related metrics during the periods indicated.

Metrics	For the Year Ended December 31,		
	2022	2023	2024
Production volume (GWh)	325	389	516
Production capacity (GWh)	390	552	676
Capacity utilization rate (%)	83.4	70.5	76.3

Note: Currently, the majority of our production capacity is enabled domestically, while our overseas production capacity remains relatively small and is still in the ramp-up phase of mass production. During the Track Record Period, the vast majority of our production volume was from our domestic manufacturing bases.

The essential information of our 13 major manufacturing bases is set forth below:

Location of manufacturing bases	Site area (m ²)	Products	Land/ Property right
Ningde (Fujian)	5,319,449	EV batteries and ESS batteries	self-owned
Xining (Qinghai)	360,000	ESS batteries	self-owned
Liyang (Jiangsu)	2,226,010	EV batteries and ESS batteries	self-owned
Yibin (Sichuan)	3,479,742	EV batteries and ESS batteries	self-owned
Zhaoqing (Guangdong)	707,671	EV batteries and ESS batteries	self-owned
Shanghai	307,181	EV batteries and ESS batteries	self-owned, leased
Xiamen (Fujian)	2,275,704	EV batteries and ESS batteries	self-owned
Yichun (Jiangxi)	1,119,005	EV batteries and ESS batteries	self-owned
Guiyang (Guizhou)	702,346	EV batteries	self-owned

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Location of manufacturing bases	Site area (m ²)	Products	Land/ Property right
Jining (Shandong)	785,980	EV batteries and ESS batteries	self-owned
Luoyang (Henan)	316,498	EV batteries	self-owned
Thuringia (Germany)	529,910	EV batteries and ESS batteries	self-owned
Debrecen (Hungary)	1,050,441	EV batteries and ESS batteries	self-owned

Note:

- (1) The statistical scope for the site area is based on the land certificate obtained as of December 31, 2024. Since our manufacturing base in Shanghai includes both self-owned and leased buildings, the reported area consists of land certificate area for self-owned and gross floor area for leased building.

As of December 31, 2024, three of our factories had been recognized by the World Economic Forum as the only Lighthouse Factories in the global lithium-ion battery industry. Meanwhile, three of our factories have received the “Industrie 4.0 Award” from ROI-EFESO Management Consulting, making us the only company in the global lithium-ion battery industry to receive this prestigious award.

QUALITY CONTROL

We are always highly committed to product quality and safety, considering them vital to our operation. We have established a strict quality management and risk control system that spans across the entire life cycle of product design, procurement, production, sales, usage, and maintenance. Through digital intelligence, such as mechanism simulation and failure analysis, we ensure high standards, comprehensive, and end-to-end product quality and safety.

We have formed a Product Quality and Safety Committee responsible for formulating policies, strategies and objectives, providing top-level guidance for quality and safety of our company. The Quality Department oversees the setup and maintenance of the quality management system, and supervises its effective implementation. During product development, the Quality Department sets up and enforces product testing and validation standards. It is also responsible for controlling product quality throughout the manufacturing process. We have designed our organizational structure for reliability of quality based on three pillars: system construction, management, and technology development. We have innovated management framework for reliability of safety. By integrating reliability and safety into quality management across technology, management and system dimensions, we have built a unique safety and reliability management system based on mechanism research, system safety technology, system reliability analysis technology, and model quantification technology, covering markets, R&D, engineering, supply chain, and operations.

Our quality management system covers all global production bases, ensuring consistency of management standards for product quality. Upon such practice, we can ensure our products constantly meet high quality standards and safety requirements. Leveraging digital intelligence, we manage quality across the entire product life cycle. We have multiple digital systems, including Quality Competitiveness Management Platform, Quality Activity Traceability System, Supply Chain Quality Digitalization System and Reliability Data Center. These can enable us to establish a quality control network which can preemptively identify, prevent and improve product quality. The network provides real-time monitoring and alerting, ensuring robust product quality. As of the Latest Practicable Date, we have set over 7,000 quality control points at critical production stages.

As a manufacturer of EV batteries and ESS batteries, we comply with the Product Quality Law (《產品質量法》), and the production of our primary products must adhere to relevant national and industry standards, such as GB 38031-2020 Electric Vehicles Traction Battery Safety Requirements (《電動汽車用動力蓄電池安全要求》), among others. We strictly comply with the Product Quality Law (《產品質量法》) and relevant standards to ensure the compliance and safety of our products during the production, sales, and usage processes.

We have also established a comprehensive product recall management mechanism, with internal protocols to govern the recall process. From the beginning of the Track Record Period to the Latest Practicable Date, there have been no incidents of penalties by regulatory authorities for violation of applicable laws and regulation of product or service quality.

RAW MATERIALS AND SUPPLIERS

Our Suppliers

The raw materials that we purchase from our suppliers mainly include cathode, anode, separator and electrolyte. Other materials include copper and aluminum foil, structural parts and electronic parts, among others. Further, cathode includes LFP or ternary material, which involves metals such as lithium, nickel and cobalt as raw materials. Anode are primarily graphite. Cathode materials, anode materials, separators, electrolytes, and copper and aluminum foil are primarily used for cell production. After being connected in series and parallel, the cells are further assembled with structural parts, electronic parts, and other raw materials to manufacture battery modules and packs.

In 2022, 2023 and 2024, our direct material costs were RMB226.7 billion, RMB255.7 billion and RMB202.7 billion, respectively, accounting for 83.8%, 78.9% and 74.1% of cost of sales in the same period, respectively. According to the GGII Report, the four main materials of lithium-ion batteries, i.e. cathode materials, anode materials, separator and electrolyte, account for more than 60% of the direct material cost.

BUSINESS

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

The following table sets forth the details of our five largest suppliers for each year during the Track Record Period.

Supplier	Background	Procurement amount <i>(RMB million)</i>	Percentage of total procurement <i>(%)</i>	Registered address of headquarters	Scale of operations (registered capital)	Listing status	Products sold to us
For the year ended December 31, 2022							
Supplier A . . .	A group company in high-tech battery materials industry	18,938.6	5.4	China	RMB484,223,588	Not listed	Cathode material
Supplier B . . .	A lithium-ion battery cathode material supplier, specializing in the research, development, production, and sales of lithium-ion battery cathode materials	16,212.8	4.6	China	RMB757,253,070	Listed	Cathode material
Supplier C . . .	A company engaged in mining, beneficiation, smelting, chemical processing and deep processing	15,590.6	4.4	China	RMB22,946,544,651	Not listed	Cathode material, nickel, cobalt, etc.
Supplier D . . .	A company focusing on the production of lithium-ion battery materials, fine chemicals and specialty chemicals	12,726.8	3.6	China	RMB1,918,823,609	Listed	Electrolyte
Supplier E . . .	A company dedicated to the research, development, production and sales of core materials for lithium-ion batteries	11,199.9	3.2	China	RMB279,242,297	Listed	Cathode material
Total		74,668.8	21.3				

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Supplier	Background	Procurement amount	Percentage of total procurement	Registered address of headquarters	Scale of operations (registered capital)	Listing status	Products sold to us
		(RMB million)	(%)				
For the year ended December 31, 2023							
Supplier B . . .	A lithium-ion battery cathode material supplier, specializing in the research, development, production, and sales of lithium-ion battery cathode materials	15,844.6	5.3	China	RMB757,253,070	Listed	Cathode material
Supplier A . . .	A group company in high-tech battery materials industry	14,174.7	4.7	China	RMB484,223,588	Not listed	Cathode material
Supplier C . . .	A company engaged in mining, beneficiation, smelting, chemical processing and deep processing	11,044.0	3.7	China	RMB22,946,544,651	Not listed	Cathode material, nickel, cobalt, etc.
Supplier F . . .	A company focusing on lithium-ion battery materials, covering cobalt and nickel mining, nonferrous metallurgy and battery materials	10,952.3	3.7	China	RMB70,092,040	Not listed	Cathode materials, nickel, cobalt, etc.
Supplier E . . .	A company dedicated to the research, development, production and sales of core materials for lithium-ion batteries	8,806.1	2.9	China	RMB279,242,297	Listed	Cathode material
Total		60,821.8	20.3				

BUSINESS

Supplier	Background	Procurement amount	Percentage of total procurement	Registered address of headquarters	Scale of operations (registered capital)	Listing status	Products sold to us
		(RMB million)	(%)				
For the year ended December 31, 2024							
Supplier C . . .	A company engaged in mining, beneficiation, smelting, chemical processing and deep processing	16,264.2	6.0	China	RMB22,946,544,651	Not listed	Cathode material, nickel, cobalt, etc.
Supplier B . . .	A lithium-ion battery cathode material supplier, specializing in the research, development, production, and sales of lithium-ion battery cathode materials	9,058.7	3.3	China	RMB757,253,070	Listed	Cathode material
Supplier A . . .	A group company in high-tech battery materials industry	8,219.0	3.0	China	RMB484,223,588	Not listed	Cathode material
Supplier G . . .	A company engaged in nonferrous metal mining and processing	5,781.2	2.1	China	RMB4,319,848,117	Listed	Nickel, cobalt, etc.
Supplier D . . .	A company focusing on the production of lithium-ion battery materials, fine chemicals and specialty chemicals	5,019.1	1.9	China	RMB1,918,823,609	Listed	Electrolyte
Total		44,342.1	16.3				

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

Supply Chain Management

We have been striving to build a resilient supply chain adaptable to efficiency, technological innovation, continuous cost reduction and green low-carbon practices. We established a supplier management system covering supplier qualification, tiered management, performance evaluation and exit procedures. We introduced a “Supplier Code of Conduct” that

encompasses best practices related to labor, health and safety, environment, compliance management systems and business ethics. We shortlisted a panel of suppliers and have established long-term stable partnerships with key suppliers.

To mitigate risks related to raw material prices and supply, we have established a monitoring system to promptly track supply and demand as well as price changes of key raw materials. We secure material supply and optimize procurement costs through approaches such as procurement in advance, while further maintaining supply chain safety and stability through self-operated mining and production of raw materials, investment partnerships, and signing long-term procurement agreements. Specifically, (i) we have expanded upstream to secure critical mineral resources, ensuring the stable supply of raw materials from the source; (ii) we have developed in-house production capabilities for certain key raw materials and enhance the autonomy and control of our supply chain by combining in-house production and external procurement; (iii) We have further deepened cooperation by investing in high-quality suppliers within the industry chain or establishing joint ventures with them, ensuring supply chain security and helping stabilize the procurement costs of key raw materials; and (iv) we have also entered into long-term procurement agreements, strategic cooperation agreements, or other long-term cooperation agreements with certain suppliers based on business needs, typically for a period of three to ten years, to foster more comprehensive and in-depth collaboration.

Procurement Agreements

Generally, our procurement is conducted through a bidding process. We enter into framework procurement agreements with our suppliers, stipulating general terms of cooperation, and execute raw material procurement through specific orders based on these agreements. The key terms in our framework procurement agreements and orders with suppliers typically include:

- *Material.* We shall list out the type, specifications, and quantity of required materials.
- *Price.* Depending on the type of materials and suppliers involved, prices can either follow the procurement agreement or be determined/adjusted according to the latest market prices at the time of order.
- *Inspection and returns.* Product inspection shall be carried out within the specified period upon delivery. We have the right to return defective materials that fail to meet agreed quality standards, and the supplier shall provide remedies, including returns and/or exchanges.
- *Credit terms and payment.* Credit terms and payment methods shall be outlined in the purchase orders. We are granted certain credit terms, which is normally 90 days, by our major suppliers.

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- *Confidentiality and anti-corruption.* We typically include confidentiality and anti-corruption provisions in our agreements, with confidentiality obligations potentially extending beyond agreement expiration.
- *Renewal and termination clauses.* The framework procurement agreement typically terminates upon the expiration of the agreed term and may also be terminated early under specified conditions.
- *Others.* Other terms such as delivery methods and date.

Due to factors such as fluctuations in material prices, changes in market supply and demand dynamics, and technological advancements, our procurement prices and quantities may vary. For details, see “Risk Factors — Price fluctuation and inadequate supply of materials and equipment for our production could adversely affect our business, financial condition and results of operations.”

MARKETING, SALES AND CUSTOMERS

Our Customers

During the Track Record Period, we generated revenue primarily from sales of EV batteries and ESS batteries, and battery materials sales and recycling. Our EV battery customers primarily consist of domestic and international automotive OEMs. Our ESS battery customers and partners mainly comprise ESS integrators and ESS project developers and operators. The primary customers for our battery materials and recycling segment and battery mineral resources segment are mainly lithium-ion battery material manufacturers.

In 2022, 2023 and 2024, our revenue from the five largest customers in each year accounted for 35.3%, 36.8% and 37.0% of our total revenue in the year, respectively; and revenue from our largest customer in each year accounted for 11.6%, 12.5% and 15.0% of our total revenue in the year, respectively. During the Track Record Period, we maintained stable business relationships with our five largest customers in each year.

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The following table sets forth the details of our five largest customers for each year during the Track Record Period.

Customer	Background	Revenue <i>(RMB million)</i>	Percentage of total revenue <i>(%)</i>	Location of headquarters	Scale of operations (registered capital)	Listing status	Major products purchased from us
For the year ended December 31, 2022							
Customer A . . .	An automotive and clean energy company that engages in businesses related to electric vehicles, and energy storage systems	38,069.5	11.6	Overseas	N/A	Listed	EV battery, ESS battery
Customer B . . .	A group whose businesses span the automotive industry and its supply chain, as well as intelligent electric mobility and energy services	26,511.7	8.1	China	RMB1,030,000,000	Not listed	EV battery
Customer C . . .	A company whose business primarily covers vehicles, components, mobility services, and innovative technology, etc.	25,525.8	7.8	China	RMB11,575,299,445	Listed	EV battery
Customer D . . .	A multinational automotive company that engages in the design, manufacturing, and sales of automobiles	13,882.5	4.2	Overseas	N/A	Listed	EV battery
Customer E . . .	A multinational automobile manufacturer specializing in designing and developing electric vehicles	12,087.2	3.7	China	RMB8,257,456,609	Listed	EV battery
Total		116,076.7	35.3				

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Customer	Background	Revenue	Percentage of total revenue	Location of headquarters	Scale of operations (registered capital)	Listing status	Major products purchased from us
		(RMB million)	(%)				
For the year ended December 31, 2023							
Customer A . . .	An automotive and clean energy company that engages in businesses related to electric vehicles, and energy storage systems	50,116.5	12.5	Overseas	N/A	Listed	EV battery, ESS battery
Customer B . . .	A group whose businesses span the automotive industry and its supply chain, as well as intelligent electric mobility and energy services	32,350.9	8.1	China	RMB1,030,000,000	Not listed	EV battery
Customer C . . .	A company whose business primarily covers vehicles, components, mobility services, and innovative technology, etc.	26,191.2	6.5	China	RMB11,575,299,445	Listed	EV battery
Customer D . . .	A multinational automotive company that engages in the design, manufacturing, and sales of automobiles	24,657.4	6.2	Overseas	N/A	Listed	EV battery
Customer F . . .	A company that engages in the design, development, and manufacturing of new energy vehicles	14,143.0	3.5	China	N/A	Listed	EV battery
Total		147,459.0	36.8				

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Customer	Background	Revenue	Percentage of total revenue	Location of headquarters	Scale of operations (registered capital)	Listing status	Major products purchased from us
		(RMB million)	(%)				
For the year ended December 31, 2024							
Customer A . .	An automotive and clean energy company that engages in businesses related to electric vehicles, and energy storage systems	54,173.4	15.0	Overseas	N/A	Listed	EV battery, ESS battery
Customer B . .	A group whose businesses span the automotive industry and its supply chain, as well as intelligent electric mobility and energy services	27,868.9	7.7	China	RMB1,030,000,000	Not listed	EV battery
Customer H . .	A company that mainly engages in the manufacturing and sales of PV, CV and engines, etc.	22,441.1	6.2	Overseas	N/A	Listed	EV battery
Customer G . .	A company that engages in the design, development, and manufacturing of vehicles and motorcycles	17,447.8	4.8	Overseas	N/A	Listed	EV battery
Customer I . .	A technology-driven manufacturing company, with new energy vehicles as its core business	12,133.1	3.4	China	RMB1,497,124,564	Listed	EV battery
Total		134,064.2	37.0				

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

Sales and Marketing

Guided by our “customer-centric” approach, we are committed to continuously satisfying market demand across various sectors to strengthen our market position and expand our customer base.

We prioritize customer needs by providing customized products to them, i.e. collaborating closely with them from the early stages of product development through technical exchanges and solution alignment. After thorough testing and validation, both parties then establish supply relationships and determine the specifications on product types, models, and pricing terms, etc. After that, both parties will maintain collaboration for a period of time for the corresponding products. Our sales department is in charge of executing the contracts based on specific customer requirements and our internal processes, and delivering the corresponding products and after-sales service.

We emphasize on brand value and continuously enhance our brand management efforts. To cater to different application scenarios, we have introduced multiple brand series of products and services, including “Qilin,” “Shenxing,” “Freevoy,” “Tianxing,” “TENER,” “Bedrock,” and “NING Service.” Additionally, we implement targeted marketing activities to better respond to customer needs, enhance brand recognition, and further elevate our corporate brand image.

Sales Agreements

We generally enter into framework sales agreements with major customers, pursuant to which customers will subsequently place specific purchase orders with us. Our framework sales agreements typically contain the following key terms:

- *Specification.* We usually set relevant technical parameters agreed with our customers in sales agreements or supplementary technology agreement. These parameters specify major technological characteristics of the products and services to be delivered.
- *Price.* We specify the unit price and/or total price of each product and service provided to the customer in the framework sales agreement. We will also negotiate with customers to determine a price adjustment mechanism based on factors such as different product types, business models, cooperation cycles, and fluctuations in raw material prices. Our price adjustment mechanism with customers is linked to the market prices of major metals or commodities such as lithium carbonate. When transacting with customers, we typically negotiate initial pricing based on the material prices at the time (benchmark price) and other factors, and agree that both parties will make adjustments for product pricing accordingly based on the change in the average market price of materials compared to the benchmark price during a certain period before delivery, as well as the actual purchase volume.

- *Payment and delivery.* We assess applicable payment terms based on our customers' credit status and historical performance. We generally grant a credit period within 60 days to our major customers. In addition, we have a systematic credit control mechanism that enables us to proactively identify and mitigate risks related to accounts receivable during contract fulfillment. We assume the costs and risks associated with contract performance in accordance with the applicable laws governing the relevant transactions and the trade terms agreed upon with our customers. Furthermore, depending on the product type and business model, we specify corresponding order delivery mechanisms or delivery cycles in our framework sales agreements.
- *Term and termination.* The term of the agreement generally ranges from one to several years and may vary on a case-by-case basis. The renewal of framework agreements is dependent on the outcomes of our negotiations with different customers.

Pricing

We price our products based on various factors, including costs of the materials, production costs, order volumes, delivery requirements, warranty services, market conditions, payment methods and specifications of products required by customers. We closely monitor fluctuations in prices of main materials and related raw materials, and actively work to reduce procurement and production costs, and reassess product pricing levels when necessary. Our framework sales agreements or supplementary agreements include price adjustment mechanisms, providing us flexibility to adjust product pricing when supply-demand dynamics or commercial conditions change.

After-Sales Service

We have consistently put great emphasis on after-sales service, delivering comprehensive, quality, and timely services to both customers and end-users through our global service station network. As of December 31, 2024, we had set up over 770 after-sales service stations across 64 countries and regions, including 169 overseas service stations. In addition, we are committed to standardizing after-sales service quality and enhancing service sustainability in the battery industry. We launched our own “NING Service” after-sales brand, through which we offer support services, including but not limited to battery maintenance, testing, recycling and reuse, insurance, and training.

We have established comprehensive response mechanisms, as well as product return and replacement procedures. We offer warranty services for the lithium-ion batteries we sell. Generally, we accept return of any product if it has any quality defect and is still within the warranty period stipulated in the sales contract or production specifications. The warranty period of the EV batteries for PV and CV we sell is primarily determined based on their service life or driving mileage, generally ranging from 5 to 10 years or 160,000 to 1,000,000 kilometers. The warranty period of the ESS batteries we sell is determined through negotiations

with customers and varies according to each project, generally with a range of 3 to 20 years. In 2022, 2023 and 2024, we incurred actual warranty expenses of RMB1.4 billion, RMB0.5 billion and RMB1.2 billion, respectively, which represented a relatively low percentage of our warranty deposits accrued in the respective year. During the Track Record Period and up to the Latest Practicable Date, we did not receive any material customer complaints or product returns, nor any material product returns or order cancellations due to product defects.

Our customer service and management efforts continue to receive external recognition. We have been awarded the Five-Star (Standard), Seven-Star (Excellent), and Twelve-Star (currently the highest industry rating in China) certifications jointly issued by the China General Chamber of Commerce and the National Commodity After-Service Conformity Certification Evaluation Committee.

Overlapping of Suppliers and Customers

In 2022, 2023 and 2024, our five largest suppliers in each year were also our customers during the Track Record Period. Since we purchased direct materials for battery production from these suppliers, including cathode materials, anode materials, separator and electrolyte, etc., and also sold certain upstream materials to them, including lithium carbonate, lithium hydroxide, precursors, etc., they were both our suppliers and customers. In order to secure the supply of direct materials, we sell certain of the above-mentioned upstream materials to some of our direct material suppliers, who then sell back to us after they have processed them into direct materials such as cathode materials. The relevant transactions are conducted at market prices.

Except for Supplier A and Supplier C, the revenue from any of our other five largest suppliers in each year during the Track Record Period accounted for less than 1.0% of our total revenue in the respective year. In 2022, 2023 and 2024, the revenue generated from Supplier A accounted for 2.0%, 1.6% and 1.3% of our total revenue, respectively; and the revenue generated from Supplier C accounted for 1.4%, 0.7% and 2.0% of our total revenue, respectively. For details about our purchase amounts from these suppliers and the respective percentage of our total purchase amounts during the Track Record Period, see “— Raw Materials and Suppliers — Our Suppliers.”

During the Track Record Period, among the five largest customers in each year, Customer B, Customer C, and Customer G were also our suppliers. Since they purchased EV batteries and/or ESS batteries from us and we purchased a small number of waste batteries from them, they were both our customers and suppliers. During the Track Record Period, the amount of our purchases from each of these customers was immaterial for our business, accounting for less than 0.1% of our total purchase amount in the respective year. For details about our revenue generated from these customers and the respective percentage of our total revenue during the Track Record Period, see “— Marketing, Sales and Customers — Our Customers.”

WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

We established comprehensive systems and procedures for warehousing, logistics, and inventory management, to standardize the entire process from receipt of materials, stock-in of inventory, return of manufacturing materials, to finished product delivery. Meanwhile, we regularly review and update relevant procedures, which are published through our internal systems. We also provide staff training to ensure strict procedural compliance, including inspection, handling and reporting of anomalies to maintain standardized operations.

For inventory management, we track our inventory's storage locations, which helps improve warehousing efficiency and achieve full traceability of materials. Each step from receipt of material to finished product delivery undergoes rigorous verification. Regular cycle counts and annual inventory stock-taking are conducted to maintain accuracy and transparency in inventory management, ensuring stable operation of our warehousing and logistics system. Additionally, we perform periodic analysis of slow-moving inventory and timely develop management plans. We have also engaged competent logistics providers to ensure safe, timely, and reliable product delivery.

PROPERTY

We own and lease certain properties primarily to be used as production facilities, warehouses and offices. As of December 31, 2024, we did not have any assets with a carrying amount that equaled or exceeded 15% of our consolidated total assets as of that same date.

Owned Land and Properties

As of December 31, 2024, we had rights to use 117 parcels of land in mainland China and overseas, with a GFA of over 10,000 square meters each, and approximately 35.60 million square meters in aggregate. As of the Latest Practicable Date, our rights to use such construction land were lawful and valid, and there were no disputes or potential disputes over the ownership over such land.

As of December 31, 2024, our Company and the Major Subsidiaries owned 91 properties in mainland China, with an area of over 10,000 square meters each, and approximately 7.98 million square meters in aggregate. Among them, 87 properties have obtained property ownership certificates and four properties have completed the completion acceptance process and are awaiting the issuance of property ownership certificates. The properties are primarily used for production, warehousing, R&D and office purposes. As confirmed by our PRC Legal Advisors, our Company and the Major Subsidiaries legally and validly own the aforementioned properties, with no existing or potential ownership disputes. As of December 31, 2024, our Company and the Major Subsidiaries owned one property overseas with an area of over 10,000 square meters each, which have a total area of approximately 0.13 million square meters. The above-mentioned properties are legal and valid, and there are no disputes or potential disputes over the ownership.

Leased Properties

As of December 31, 2024, our Company and the Major Subsidiaries had 17 leased properties in mainland China in relation to our business operations, with a GFA of over 10,000 square meters each, and approximately 0.47 million square meters in aggregate, primarily for the warehousing purpose. As of December 31, 2024, our Company and the Major Subsidiaries owned two leased properties overseas with a GFA of over 10,000 square meters each, which are related to our business operations, totaling approximately 0.12 million square meters.

As of December 31, 2024, our Company and the Major Subsidiaries in mainland China have not registered and filed certain property leases, and the lessees were facing the risk of being ordered by the competent authorities to make corrections within a certain period of time, and being subject to a fine of up to RMB10,000 per lease in the event of failure to make corrections after within the deadline. As confirmed by our PRC Legal Advisors, as of December 31, 2024, our Company and the Major Subsidiaries have not received any notification from the relevant authorities ordering rectification in relation to the aforesaid lease registration and filing issue, nor has it been penalized by any relevant authorities as a result. Meanwhile, according to the Civil Code of the PRC and other relevant regulations, the lack of registration and filing of lease agreements does not affect the legal effect of such lease agreements, and the failure to register and file the aforesaid property lease agreements will not have any material adverse impact on our production and operation.

As of December 31, 2024, we were not exposed to any circumstance where the loss of any single owned or leased property would have material adverse impact on our production and operations.

COMPLIANCE AND LEGAL PROCEEDINGS

During the Track Record Period and up to the Latest Practicable Date, we had complied in all material respects with the applicable laws and regulations relating to our business operations. However, we may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of business. For details, see “Risk Factors — Risks Relating to our Operations — Any litigation, legal and contractual disputes, claims or administrative proceedings against us could be costly and time-consuming to defend or settle, and could adversely affect our reputation.” During the Track Record Period and as of the Latest Practicable Date, there was no litigation, arbitration or administrative proceedings pending or, to our best knowledge, threatened against our Company or any of our Directors which could have a material and adverse effect on our financial condition or results of operations.

We noted that the U.S. Department of Defense (“DoD”) included our Company in the list of Chinese Military Companies on January 7, 2025. We made a public response on the same day. We have never engaged in any military-related businesses or activities, therefore such designation by the DoD is a mistake. It does not restrict us from conducting business with entities other than a small number of U.S. governmental authorities, thus is expected to have

no substantial adverse impact on our business. We are proactively engaging with DoD to address the false designation. We cannot guarantee that such attempts will be successful or that the relevant government agencies will not take any further actions. We may be subject to such actions, which may have a material adverse effect on our business and results of operations. See also “Risk Factors — Risks Relating to our Operations — Policies and regulations affecting, among other things, international trade and investment may adversely affect our business and results of operations.”

COMPETITION

The global lithium-ion battery industry is relatively concentrated. According to the GGII Report, based on EV battery usage volume in 2024, the top five and top ten EV battery companies accounted for 74.7% and 89.4% of the global market, respectively. In terms of shipment volume, the top five and top ten energy storage battery manufacturers accounted for 73% and 96% of the global market in 2024, respectively. There is a notable overlap between the global top ten companies in the EV battery market and those in the ESS battery market.

We continuously invest in cutting-edge technologies, optimize our product portfolio, explore innovative applications, and drive the development of the zero-carbon ecosystem, thereby strengthening our competitive edge in an ever-evolving market.

INFORMATION SECURITY AND PRIVACY

We place significant emphasis on information security management, drawing on international best practices in our operations. By establishing a high-standard data security management system that meets regulatory standards and ensures full coverage, we have laid a robust foundation for information security, benefitting both domestic and international clientele. We strictly abide by the Cybersecurity Law of the People’s Republic of China (《中華人民共和國網絡安全法》), Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》), the Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》), the General Data Protection Regulation (GDPR) of the European Union, and other national or regional laws and regulations to conduct business. We also established the Security and Secrecy Committee (SSC) with the subordinated Security and Secrecy Office (SSO). The SSO carries out specific tasks across all of our departments and manufacturing bases with support from external consulting, testing, and auditing agencies. We have achieved the highest level of TISAX (Trusted Information Security Assessment Exchange) certification, jointly issued by the German Association of the Automotive Industry (VDA) and the European Network Exchange (ENX).

In the course of outbound daily operations, we may need to collect and process personal information of our individual users, visitors, and partners, involving various scenarios including personal information collection and use, and entrusted third-party processing. We strictly comply with applicable laws and regulations, including the Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》), the Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》), the

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Cybersecurity Law of the People’s Republic of China (《中華人民共和國網絡安全法》), the EU GDPR, and other application laws and regulations, and enhance our data compliance management practices. We integrate data and privacy compliance efforts within our compliance management framework, which includes proactively following the developments and interpretations of laws and regulations, building institutional systems, conducting compliance risk assessments, performing compliance reviews, and providing training.

AWARDS AND ACHIEVEMENTS

The following table sets forth some awards we received and certain achievements we made.

Name of Award	Awarding Entity	Year
Second Prize of National Scientific and Technological Progress Awards	The State Council of the People’s Republic of China	2024, 2024*
China ESG 50	Forbes China	2024
Industrie 4.0	ROI-EFESO Management Consulting	2024
Global 500	Fortune	2023, 2024
China’s “50 Most Innovative Companies”	Forbes China	2023
Global Lighthouse Factory	World Economic Forum	2021, 2022, 2023
The 100 Most Influential Companies	TIME	2022, 2023
Global 500 — The World’s Most Valuable and Strongest Brands . . .	Brand Finance	2023
“China ESG Model” Enterprise	China Media Group	2023
TECHNOBEST 2024 Award	AUTOBEST	2023
Best Inventions	TIME	2022

Note:

* In 2024, our Group and its subsidiaries won two 2023 Second Prizes of National Scientific and Technological Progress.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)**ESG Management Framework**

Our Corporate Sustainability Management Committee (“CSMC”) is headed by the Board Secretary and comprises relevant senior management members and department heads as its members. Under the supervision of the CSMC, we also established the Council of Corporate Sustainability Management Committee (“CCSMC”), consisting of key members from various business departments. The CCSMC is tasked with developing the overarching blueprint and executing sustainability management initiatives.

In 2023, we became a member of the United Nations Global Compact (UNGC), and committed to supporting its ten principles across four key areas encompassing human rights, labor, environment, and anti-corruption. By taking actions to fulfill commitments and better advance the progress of sustainable development goals, we continue to improve information transparency, and communicate the values and principles of sustainable development to a wider array of stakeholders.

Material ESG Topics

Material ESG topics serve as key focal points for the management of our sustainable development. Following stakeholder engagement principles, we regularly conduct importance assessments by consulting both internal and external stakeholders to determine our material topic matrix. In 2024, the key material topics reviewed and confirmed by the CCSMC included R&D innovation, talent cultivation and development, product quality and safety, climate change response, circular economy. To systematically promote the improvement and enhancement of these material topics, our Company has established an ESG management indicator system based on three levels: “dimension – topic – indicator.” All indicators are assigned to the relevant responsible departments, with ESG management specialists designated within each department to coordinate and drive the improvement and enhancement of related ESG indicators.

Environment***Climate change***

We have positioned climate change and carbon emissions as core strategic priorities in our sustainable development agenda, and have established a climate governance framework based on our sustainability management system. In 2023, we officially announced our targets to achieve carbon neutrality in our core operations by 2025 and across the value chain by 2035. To deliver on these goals, we launched six major initiatives: Zero-Carbon Design, Zero-Carbon Factory, Zero-Carbon Supply, Zero-Carbon Manufacturing, Zero-Carbon Power, and Circular Ecosystem. Driven by continuous innovation, we will continue developing low-carbon

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products and technologies, systematically advancing process optimization and energy efficiency initiatives, vigorously expanding renewable energy projects, and strategically deploying battery recycling – all to comprehensively advance carbon neutrality across our operations and value chain.

Furthermore, in accordance with relevant requirements, we regularly carry out greenhouse gas emissions accounting at our operational battery production facilities, and perform independent verification of greenhouse gas emissions, strengthening the foundation of our carbon emissions data. Meanwhile, all of our Zero-carbon factories have all obtained PAS 2060:2014 carbon neutrality certification from SGS, a certification institution.

Total GHG Emissions from Battery Manufacturing Bases⁽¹⁾

Item	Unit	For the year ended December 31,		
		2022	2023	2024
Total Scope I GHG emissions ⁽²⁾	tCO ₂ e	610,885.46	765,338.97	930,440.28
Total Scope II GHG emissions ⁽²⁾	tCO ₂ e	2,631,947.26	1,477,835.08	1,423,359.12
Total GHG emissions.	tCO ₂ e	3,242,832.72	2,243,174.05	2,353,799.40

Notes:

- (1) The total GHG emissions from the battery manufacturing bases includes GHG emissions from Scope I and Scope II. The calculation of GHG emissions from Scope I and Scope II was made by referring to ISO 14064-1:2018 and the General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprise (《工業企業溫室氣體排放核算和報告通則》) (GB/T32150-2015);
- (2) Scope I covers emissions from fossil energy consumption during operations, production process emissions and fugitive emissions of the battery sector; Scope II calculates emissions of purchased electricity consumed and steam in battery production.

Total GHG Emissions from the Group⁽¹⁾

Item	Unit	For the year ended December 31, 2024
Total Scope I GHG emissions ⁽²⁾	tCO ₂ e	2,401,702.32
Total Scope II GHG emissions.	tCO ₂ e	3,550,150.78
Total Scope III GHG emissions ⁽³⁾	tCO ₂ e	112,350,996.78
Total GHG emissions.	tCO ₂ e	118,302,849.88

Notes:

- (1) In 2024, we started to measure scope of GHG emissions at the Group level, in which the scope of data statistics was expanded from battery manufacturing bases to all companies with substantial environmental impacts within the Group, to which companies in the battery materials and recycling and battery mineral resources sectors were added.
- (2) Emission factors for coal and LPG were derived from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, and emission factors for acetylene were calculated using the mass balance method. GHG emissions from other energy types were calculated with reference to the battery manufacturing bases.
- (3) We selected some of the Scope III categories for accounting and disclosure based on our materiality assessment criteria and taking into account our industry characteristics, business relationships, data availability and disclosure costs.

Energy management

We actively advance our energy management through various measures, including enhancing energy efficiency and implementing renewable energy solutions. In 2024, we implemented 310 energy conservation measures company-wide, resulting in annual savings of 255 million kWh per year in electricity consumption, 7.5 million cubic meters per year in natural gas consumption, and 375,500 tons per year in steam consumption. These energy savings are equivalent to avoiding approximately 264,600 tons of CO₂ equivalent emissions. In 2024, the proportion of our zero-carbon power usage in core operating segments reached 74.51%, an increase of about 9% compared to 2023.

Environmental compliance, waste and water resources management

During the Track Record Period, we strictly adhered to the relevant provisions of the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), the Regulations on the Administration Construction Project Environmental Protection (《建設項目環境保護管理條例》) and the Interim Measures for Environmental Protection Acceptance of Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) to complete the environmental impact assessment work for construction projects. All projects that have been put into production or operation have completed the environmental protection acceptance procedures.

We have established internal management systems covering the entire Group to address the discharge and disposal of wastewater, waste gas, and solid waste (including hazardous waste) generated during production and operations, ensuring compliance with relevant laws and regulations on pollution discharge. In addition, we have developed a self-monitoring program for pollutants such as wastewater and waste gas, which has been implemented as required. The monitoring results have met all relevant requirements.

Our wastewater discharges mainly consist of industrial wastewater and domestic sewage, which are treated to meet discharge standards through on-site wastewater treatment facilities and municipal wastewater plants. Our air emissions are treated through air pollution control facilities to meet emission standards before discharge. For general industrial solid waste and

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hazardous waste, we engage qualified disposal agencies for harmless disposal or comprehensive utilization, or after classification and collection, commission downstream suppliers for harmless disposal or comprehensive utilization.

In 2024, the total generation of general industrial solid waste for our Company was 10.0 million tons, with a disposal quantity of 9.2 million tons and a total of 0.9 million tons of general industrial solid being recycled and reused. The total generation of hazardous waste was 17.1 thousand tons, with a disposal quantity of 15.7 thousand tons and a total of 1.5 thousand tons of hazardous waste being recycled and reused. The pollutants in wastewater included chemical oxygen demand (COD) of 95.2 tons, ammonia nitrogen (NH₃-N) of 15.5 tons; and the pollutants in waste gas included nitrogen oxides (NO_x) of 2,841.7 tons, sulfur dioxide (SO₂) of 12,067.1 tons, and volatile organic compounds (VOCs) of 1,094.3 tons.

Item	Unit	For the year ended December 31,		
		2022	2023	2024
Total water intake ⁽¹⁾	M ³	20,407,511.94	25,479,086.86	3,579,322,963.72
Disposal of general industrial solid waste ⁽²⁾	tons	90,648	81,523	9,180,825
Disposal of Hazardous waste ⁽²⁾	tons	11,297	12,311	15,659

Notes:

- (1) The main reason for the increase in the data of total water intake in 2024 is that the statistical scope of the data is further expanded compared with that in 2022 and 2023. The scope of statistics has been expanded from battery manufacturing bases to all companies within the Group that have substantial environmental impacts. The scope of statistics mainly includes new companies in the battery materials and recycling and battery mineral resources sectors;
- (2) The main reason for the increase in waste management data in 2024 is that the statistical scope of data has been further expanded compared with 2022 and 2023. The statistical scope has been expanded from battery manufacturing bases, wholly-owned subsidiaries in the field of battery materials, and key environmental supervision units to all companies with substantial environmental impacts in the Group's consolidated financial statements. The expanded statistical scope mainly includes companies in the battery materials and recycling, and battery mineral resources sectors.

Social Responsibility

Supply Chain Management

We continue to reinforce our sustainable supply chain management capabilities by integrating sustainability into our supply chain management system. This involves actively implementing environmental and social responsibility risk management for suppliers, promoting carbon emission reduction throughout the supply chain, and supporting the sustainable development transition of the industry. We incorporate ESG-related metrics, including but not limited to low-carbon and social responsibility indicators, into supplier

performance evaluations as additional scoring factors. We present sustainability awards annually to recognize excellent sustainability management performance. For suppliers with poor performance, we issue non-compliance rectification plans and oversee corrective actions.

In addition, we have leveraged digital technology to establish a supply chain compliance traceability system with both internal and external tracking capabilities, which can comprehensively trace and document each step of product manufacturing and supply chain management to ensure compliance with relevant regulations and standards.

The Sustainability Transparency Audit of our CREDIT Value Chain consists of Carbon Footprint, Recycling, Energy, Due Diligence, Innovation & Transparency, covering six modules, i.e. sustainability governance systems, business ethics, environmental protection, labor practices, sustainable procurement and critical minerals management. Such audit generates a supplier sustainability risk rating based on the audit results, with recommendations for suppliers to improve.

Occupational Health, Safety and Care

We are committed to abiding by all applicable regulatory requirements, preventing and reducing hazards and risks that may harm the health of our employees, and ensuring the health and safety of our employees and surrounding communities. Strictly complying with the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》) and the applicable laws and regulations in overseas locations of operation, we have continuously strengthened the occupational health protection of employees, and systematically sorted out the occupational health management system documents. Meanwhile, we have established management practices in areas such as recruitment and dismissal, remuneration and promotion, working hours and leave, with reference to applicable international standards, including the conventions of the International Labor Organization, in order to safeguard the lawful rights and interests of our employees.

We conduct regular information sessions on occupational health and safety awareness for employees, including equipment safety, safety regulations, construction safety, and incident case studies. Meanwhile, through themed posters, health knowledge training, and contests, we continue to improve safety awareness of our employees.

We strictly comply with applicable laws and regulations and are committed to lawful and compliant employment practices. All of our full-time employees are aged 18 or above and have entered into labor contracts with us. In line with the continued expansion of our international business, we have been promoting the global integration of our human resources management systems and implementing specialized overseas human resource management initiatives to ensure compliance with local laws, regulations and cultural practices in different countries and regions.

We offer all employees competitive welfare and benefits, including but not limited to social insurance, paid leave, holiday benefits and recreational activities. We actively enrich our employees' cultural life, place strong emphasis on both their physical and mental well-being, remain attentive to the needs of employees facing difficulties, and strive to create a harmonious and fulfilling working environment.

We uphold a culture of equality, diversity, innovation, and zero tolerance for discrimination, fostering a transparent and trusting environment that values honesty and inclusiveness.

Community Relations Management

We consistently uphold the principle of balancing enterprise growth with social responsibility, actively engaging in various social welfare areas such as community development, education assistance, emergency relief, environmental conservation, and cultural and sports initiatives. Through dedicated charitable funds and donations, we diligently fulfill our corporate citizenship obligations, jointly fostering social value.

We aim to foster a culture of active engagement in public welfare among our employees, encouraging them to address social challenges through practical actions. Our “CATL Volunteer Service Team” has been driving charitable and volunteer initiatives since 2017. We also partner with non-profit organizations in our operating locations, providing donations to meet local community needs and help address social challenges.

Corporate Governance

Anti-corruption and Anti-bribery

We maintain firm adherence to regulatory compliance, and aim to create a work environment characterized by “compliance, integrity, and honesty.” We have established a Code of Conduct Committee (“COC”) under the Board of Directors, which has overall responsibility for integrity-building initiatives across all business units and subsidiaries. The COC is responsible for formulating the company's integrity-building policies, establishing comprehensive rules and procedures centered on anti-corruption and business ethics, investigating employees who violate the company's code of conduct, and reporting directly to the Board of Directors. We comprehensively enhance our anti-bribery management capabilities through integrity system building, fraud risk assessment, integrity culture education, and integrity supervision mechanisms.

BUSINESS

LICENSES, PERMITS AND APPROVALS

We are subject to regular inspections, reviews and audits and are required to maintain or renew the permits, licenses and certifications necessary for our operations. During the Track Record Period and up to the Latest Practicable Date, we had obtained all necessary licenses, approvals, and permits from the competent government departments and regulatory authorities that are material for our business operations in the jurisdictions where we operate.

The following table sets forth our key licenses and permits. As of the Latest Practicable Date, the following licenses and permits are all valid:

Holder	Name of license, approval, permit
CATL	Radiation Safety License, Pollutant Discharge Permit, Registration Receipt of Pollution Discharge from Stationary Pollution Sources
CATL-JS	Radiation Safety License, Pollutant Discharge Permit
UABC	Radiation Safety License, Pollutant Discharge Permit
CATL-SC	Radiation Safety License, Pollutant Discharge Permit
CATL-FD	Radiation Safety License, Pollutant Discharge Permit
CATL-RQ	Radiation Safety License, Pollutant Discharge Permit
CATL-RT	Radiation Safety License, Registration Receipt of Pollution Discharge from Stationary Pollution Sources
Hunan Brunp	Hazardous Chemicals Operation License, Hazardous Waste Operation License, National Production License for Industrial Products, Hazardous Chemicals Registration Certificate, Pollutant Discharge Permit
Ningbo Brunp	Hazardous Chemicals Registration Certificate, Hazardous Chemicals Operation License

INSURANCE

We maintain insurance policies in accordance with relevant laws and regulations and based on our assessment of the needs of our operations and industry practices. In accordance with the requirements of relevant laws and regulations, we take out social insurances for our employees working in China, including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance. Our current insurances also cover, among others, property insurance, product liability insurance, environmental pollution liability insurance, cargo transportation insurance, and D&O liability insurance. We believe that our current insurance coverage is adequate to meet the needs of our operations and consistent with industry practices in China. For more information, please refer to “Risk Factors — Our insurance coverage is limited and may not cover all losses, which may increase our operating costs.”

BUSINESS

EMPLOYEES

As of December 31, 2024, we had a total of 131,988 employees, most of whom were based in China. The following table sets forth the number of our employees by function as of the same date.

Function	Number of employees	% of the total employees
Production	96,725	73.3
Technology	20,346	15.4
Administration	11,419	8.7
Sales	2,806	2.1
Finance	692	0.5
Total	131,988	100.0%

We recruit employees primarily through referrals, headhunters, online job portals and campus job fairs. We offer new employee orientation training and regular on-the-job training to our employees. We and employees enter into individual employment contracts covering matters including salary, bonuses, employee benefits, confidentiality obligations, non-compete clauses, work product and intellectual property transfer clauses and reasons for contract termination. The remuneration packages of our employees include salary and bonuses, which are usually determined based on their seniority, performance appraisal and term of service. We also provide share incentives and promotion opportunities to motivate our employees.

Sharing success with employees and empowering them to grow is one of the core elements of our corporate culture. We always strive to provide employees with comprehensive social benefits, a safe working environment and diverse career development opportunities. Meanwhile, we strictly abide by the laws, regulations and standards on workplace safety in relevant countries and regions, and are committed to creating a safe and healthy working environment for employees, and ensuring the safety and physical and mental health of employees by implementing a highly efficient management system.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any labor disputes or strikes that could have a material and adverse effect on our business, financial condition or results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We have adopted and implemented comprehensive risk management policies, covering risks that may arise in R&D, procurement management, production management, sales management and new project construction. Meanwhile, we are dedicated to overseeing and accessing the effectiveness of risk management and internal control systems to ensure that these systems are corrected and effectively controlled during business development in a timely manner.

In order to monitor the continuous implementation of post-listing risk management policies and corporate governance measures, we have taken or will continue to take risk management measures as follows:

- Our Board is responsible for monitoring our internal control system, assessing its effectiveness and maintaining suitable and effective risk tolerance levels.
- Our audit department assists our management with developing risk management policies and reviewing major risk management matters, providing guidance to relevant departments on risk management measures, and overseeing the implementation of risk management policies.
- Our financial affairs department, legal and compliance department, human resources department and other relevant departments are responsible for implementing our risk management policies and conducting daily risk management activities.
- When necessary, we engage external professional advisors to work with our internal audit and legal teams to conduct regular reviews to ensure the validity of all registrations, licenses, permits, filings and approvals.

CONNECTED TRANSACTIONS

OUR CONNECTED PERSONS

We engage in certain transactions with the following connected persons from time to time in our ordinary and usual course of business, which will constitute continuing connected transactions under Chapter 14A of the Listing Rules upon the Listing:

Connected persons	Connected relationships
Fujian Contemporary Nebula Technology Energy Co., Ltd. (“CNTE”)	As of the Latest Practicable Date, CNTE was indirectly controlled as to over 30% by our substantial shareholder, Mr. Huang Shilin. Therefore, CNTE is an associate of Mr. Huang Shilin and will become a connected person of our Company upon the Listing.
Suzhou Contemporary Synland Technology Co., Ltd. (“Synland”)	As of the Latest Practicable Date, Synland was a non-wholly owned subsidiary of our Company, which was held by the Group as to approximately 90% and indirectly controlled as to 10% by our executive Director, Mr. Li Ping. Therefore, Synland is a connected subsidiary of our Company and will become a connected person of our Company upon the Listing.
Ningbo Contemporary Brunp Lygend Co., Ltd. (“CBL”) . . .	As of the Latest Practicable Date, CBL was a non-wholly owned subsidiary of our Company, which was held by the Group as to approximately 75.43% and controlled as to approximately 12.57% by our substantial shareholder, Xiamen Ruiting. Therefore, CBL is a connected subsidiary of our Company and will become a connected person of our Company upon the Listing.

CONNECTED TRANSACTIONS

OUR FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We engage in the following transactions with our connected persons from time to time and plan to continue these transactions after the Listing. The details of the relevant transactions are set out below:

Nature of the transactions	Counterparty	Pricing basis	Applicable Listing Rules
Procurement of commissioned processing services of energy storage related products . . .	CNTE	Determined after arm's length negotiations with reference to the costs of providing such services.	14A.76(1)
Sales of ESS battery related products and accessories . . .	CNTE	Determined after arm's length negotiations with reference to the market price.	14A.76(1)
Procurement of domain controller-related products and commissioned processing services	Synland	Determined after arm's length negotiations with reference to the market price and/or the cost of providing such services.	14A.76(1)
Provision of administrative, human resources and technical consultation services	CBL and its subsidiaries	Determined after arm's length negotiations with reference to the costs of providing such services.	14A.76(1)

As each of the above transactions is carried out on normal commercial terms and the highest applicable percentage ratio calculated under Chapter 14A of the Listing Rules is expected to be less than 0.1%, each of the above transactions will be fully exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

OUR PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTION

We supply to Synland battery-related products and accessories (including but not limited to battery cells) as it may require from time to time (the “**Products Sale Transactions to Synland**”), and plan to continue these transactions after the Listing. The details of these transactions are set out below:

Nature of the transaction	Counterparty	Applicable Listing Rules	Waiver sought	Proposed annual cap for the year ending December 31, 2025
Sales of battery-related products and accessories . . .	Synland	14A.76(2)(a)	Announcement requirement	RMB480 million

Reasons for the Transaction

Synland is a non-wholly owned subsidiary of our Company, and is principally engaged in the R&D, manufacturing and sales of electric chassis of CV. We are familiar with the business requirements, quality standards and operational requirements of Synland for the relevant products and accessories. The supply to Synland facilitates the production and sales of its products, thereby expanding our Group’s sales scale and driving our revenue growth.

Pricing Policies

The fees to be charged by our Group for the battery-related products and accessories supplied to Synland shall be determined through commercial negotiation between the parties on an arm’s length basis, primarily based on prices of products of similar natures that our Group supplies to other Independent Third Parties in the market, and taking into account various factors including but not limited to product types, transaction volumes and production costs.

Historical Transaction Amounts

For the years ended December 31, 2022, 2023 and 2024, the historical transaction amounts for our supply of battery-related products and accessories to Synland were approximately RMB5.99 million, RMB14.83 million and RMB36.67 million, respectively.

Proposed Annual Cap and Basis of Determination

For the year ending December 31, 2025, the proposed annual cap of the transaction amount to be paid to us by Synland for its purchase of our battery-related products and accessories is expected to be not more than RMB480 million.

CONNECTED TRANSACTIONS

During the Track Record Period, the battery related products and accessories procured by Synland were mainly for the R&D and testing of its new products. After several years of R&D preparations, certain new products of Synland will commence commercialization in 2025. For example, in March 2025, Synland released the “KunSpeed Chassis Solutions for Commercial Vehicles” and reached strategic development collaboration with several automotive OEMs. As a result, the historical transaction records between our Group and Synland are not considered a meaningful reference for determining the proposed annual cap of the connected transactions in 2025. Instead, the proposed annual cap has been determined with reference to, among others, the following factors:

- (i) the value of existing contracts and our anticipated supply of battery-related products and accessories to Synland in 2025, driven by its business development needs; and
- (ii) other factors, including but not limited to the projected unit prices of our battery-related products and accessories, which reflect costs and expenses including raw material costs, labor expenses, and prevailing market trends.

Listing Rules Implications

As the highest applicable percentage ratio calculated under Chapter 14A of the Listing Rules for the year ending December 31, 2025 is expected to exceed 0.1% but less than 5%, the Products Sale Transactions to Synland will constitute a partially-exempt continuing connected transaction of our Company after the Listing that are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Waivers

As the Products Sale Transactions to Synland is expected to be conducted on a regular and ongoing basis as fully disclosed in this prospectus, our Directors are of the view that compliance with the announcement requirements under Rule 14A.35 of the Listing Rules would be unduly burdensome and in particular would create unnecessary administrative costs for our Company.

Accordingly, we have applied to the Stock Exchange and the Stock Exchange has granted a waiver for us from strict compliance with the announcement requirements under Chapter 14A of the Listing Rules in relation to the Products Sale Transactions to Synland, provided that the aggregate transaction amount of such continuing connected transactions for the year ending December 31, 2025 shall not exceed the proposed annual cap described above.

CONNECTED TRANSACTIONS

Director's Confirmation

Our Directors (including the independent non-executive Directors) are of the view that the above Products Sale Transactions to Synland have been and will continue to be entered into in our ordinary and usual course of business on normal commercial terms, the terms and proposed annual cap of which are fair and reasonable and in the interests of our Company and its Shareholders as a whole.

Confirmation from the Joint Sponsors

The Joint Sponsors have (i) reviewed the relevant documents and information provided by the Company in connection with the aforesaid Products Sale Transactions to Synland; and (ii) engaged in due diligence review and discussions with the management of the Company.

On the basis of the foregoing, the Joint Sponsors are of the view that the aforementioned Products Sale Transactions to Synland (in respect of which a waiver is sought) have been entered into in the ordinary and usual course of business on normal commercial terms or better, the terms and proposed annual cap of which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Global Offering and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no other changes are made to the issued share capital of our Company from the Latest Practicable Date to the Listing, the following persons will have interests or short positions (if applicable) in the Shares or underlying Shares, which would be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions in Divisions 2 and 3 of Part XV of the SFO, or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at Shareholders' general meetings of our Company:

Shareholders	Nature of interests	Description of Shares	Number of Shares interested in under the SFO	Approximate % of the issued Shares of our Company as of the Latest Practicable Date	Immediately after the Global Offering ⁽¹⁾	
					Approximate % of the A Shares of our Company	Approximate % of the issued Shares of our Company
Mr. Zeng Yuqun ⁽²⁾	Interest in controlled corporation	A Shares	1,024,704,949	23.27%	23.27%	22.66%
Xiamen Ruiting ⁽²⁾	Beneficial owner	A Shares	1,024,704,949	23.27%	23.27%	22.66%
Ruihua Investment ⁽²⁾	Interest in controlled corporation	A Shares	1,024,704,949	23.27%	23.27%	22.66%
Mr. Huang Shilin ⁽³⁾	Beneficial owner; Interest in controlled corporation	A Shares	469,621,309	10.66%	10.66%	10.39%
Ningbo United Innovation of New Energy Investment Management Partnership (Limited Partnership) ("Ningbo United Innovation") ⁽⁴⁾ .	Beneficial owner	A Shares	284,220,608	6.45%	6.45%	6.29%

Notes:

- (1) Assuming (i) the Offer Size Adjustment Option and the Over-allotment Option are not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing.
- (2) As of the Latest Practicable Date, Xiamen Ruiting was owned as to 55% by Mr. Zeng Yuqun and 45% by Ruihua Investment, which was in turn wholly owned by Mr. Zeng Yuqun. Therefore, each of Mr. Zeng Yuqun and Ruihua Investment is deemed to be interested in the Shares held by Xiamen Ruiting under the SFO.
- (3) As of the Latest Practicable Date, Mr. Huang Shilin (i) directly held 466,021,310 A Shares of our Company; and (ii) indirectly interested in a total of 3,599,999 A Shares of our Company through Tongyi Jingyun No. 5 Private Securities Investment Fund, Tong Yi Chunxiao No. 3 Private Securities Investment Fund, Tong Yi Chunxiao No. 5 Private Securities Investment Fund, Tongyi Xiangyang No. 7 Private Securities Investment Fund, Tongyi Xiangyang No. 8 Private Securities Investment Fund and Tongyi Xiangyang No. 9 Private Securities Investment Fund where he acted as the single investor. Mr. Huang Shilin is deemed to be interested in the Shares held by Tongyi Jingyun No. 5 Private Securities Investment Fund, Tong Yi Chunxiao No. 3 Private Securities Investment Fund, Tong Yi Chunxiao No. 5 Private Securities Investment Fund, Tong Yi Xiangyang No. 7 Private Securities Investment Fund, Tongyi Xiangyang No. 8 Private Securities Investment Fund and Tongyi Xiangyang No. 9 Private Securities Investment Fund under the SFO.

SUBSTANTIAL SHAREHOLDERS

- (4) As of the Latest Practicable Date, (i) Mr. Pei Zhenhua contributed approximately 84.11% of the capital as a limited partner in Ningbo United Innovation, and Zhejiang University United Innovation Investment Management Partnership (Limited Partnership) (浙江浙大聯合創新投資管理合夥企業(有限合夥)) (“**ZJU United Innovation**”) contributed approximately 0.12% as a general partner; (ii) Ningbo Meishan Free Trade Zone Port Area Shengshi Venture Capital Partnership (Limited Partnership) (寧波梅山保稅港區晟視創業投資合夥企業(有限合夥)) (“**Ningbo Shengshi**”) contributed 40% of the capital as a limited partner in ZJU United Innovation, and Hangzhou Yilu Investment Management Partnership (Limited Partnership) (杭州一廬投資管理合夥企業(有限合夥)) (“**Hangzhou Yilu**”) contributed 20% as a general partner. None of the other limited partners held one third of the partnership interest in ZJU United Innovation; (iii) Mr. Lin Guang contributed approximately 60.07% of the capital as a general partner in Ningbo Shengshi. None of the limited partners held over one third of the partnership interest in Ningbo Shengshi; (iv) Ningbo Shengshi contributed approximately 99.01% of the capital as a limited partner in Hangzhou Yilu, and Hangzhou Agan Investment Management Co., Ltd. (杭州阿甘投資管理有限公司) (“**Hangzhou Agan**”) contributed approximately 0.50% as a general partner; and (v) Hangzhou Agan was held as to approximately 59.59% by Mr. Lin Guang. None of the other shareholders held over one third of the equity interest in Hangzhou Agan. Therefore, each of Mr. Pei Zhenhua, ZJU United Innovation, Ningbo Shengshi, Hangzhou Yilu, Mr. Lin Guang, Hangzhou Agan was deemed to be interested in the Shares held by Ningbo United Innovation under the SFO, and therefore a substantial shareholder of our Company under the SFO.

For further information on any other person who will be, immediately following completion of the Global Offering, directly or indirectly, interested in 10% or more of the issued voting shares of our Major Subsidiaries, see “Appendix VI — Statutory and General Information — 3. Further Information about Directors, Supervisors, Chief Executive and Substantial Shareholders of Our Company — D. Interests of Substantial Shareholders in Shares of Our Company and/or Our Major Subsidiaries — (ii) Interests in Our Major Subsidiaries” to this prospectus.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board comprises nine Directors, including six executive Directors and three independent non-executive Directors. Pursuant to the Articles of Association, our Directors are elected and appointed by the Shareholders for a term of three years and are eligible for re-election upon expiry of their terms of office. According to the relevant PRC laws and regulations, an independent non-executive Director shall not serve for more than six consecutive years.

The following table sets forth the key information about our Directors as of the Latest Practicable Date.

Name	Age	Positions	Roles and responsibilities	Time of first joining our Group	Time of first appointment as a Director
Mr. Zeng Yuqun (曾毓群)	57	Chairman of the Board, executive Director and general manager	Overall strategic planning and development of our Group	December 2011	December 2011
Mr. Pan Jian (潘健)	49	Co-chairman of the Board and executive Director	Management and business development of our Group	November 2014	November 2014
Mr. Li Ping (李平)	57	Vice chairman of the Board and executive Director	Management and business development of our Group	October 2014	November 2014
Mr. Zhou Jia (周佳)	47	Vice chairman of the Board and executive Director	Management and business development of our Group	December 2015	December 2015
Dr. Ouyang Chuying (歐陽楚英)	48	Executive Director	Management of R&D system of our Group	September 2019	August 2023
Mr. Zhao Fenggang (趙豐剛)	59	Executive Director	Management of R&D and engineering manufacturing systems of our Group	December 2015	December 2024

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Positions	Roles and responsibilities	Time of first joining our Group	Time of first appointment as a Director
Dr. Wu Yuhui (吳育輝).	46	Independent non-executive Director	Supervising and providing independent opinion and judgment to the Board	August 2023	August 2023
Mr. Lin Xiaoxiong (林小雄).	63	Independent non-executive Director	Supervising and providing independent opinion and judgment to the Board	August 2023	August 2023
Dr. Zhao Bei (趙蓓).	67	Independent non-executive Director	Supervising and providing independent opinion and judgment to the Board	August 2023	August 2023

Executive Directors

Mr. Zeng Yuqun (曾毓群), aged 57, is our chairman of the Board, executive Director and general manager. Mr. Zeng is primarily responsible for the overall strategic planning and development of our Group.

Mr. Zeng founded our Group in December 2011 and served as our Director since our inception until May 2013, as our chairman of the Board since June 2017 and as our general manager since August 2022. He currently holds directorships in a number of subsidiaries of our Group.

Prior to joining our Group, Mr. Zeng served as (i) the president, chief executive officer and director of Amperex Technology Limited (新能源科技有限公司); (ii) the chairman of Ningde Amperex Technology Co., Ltd. (寧德新能源科技有限公司); (iii) the chairman and general manager of Dongguan Amperex Technology Co., Ltd. (東莞新能源科技有限公司) and Dongguan Amperex Electronic Technology Co., Ltd. (東莞新能源電子科技有限公司); (iv) the executive director of Dongguan NVT Technology Limited (東莞新能德科技有限公司); and (v) the vice president and senior vice president of TDK Corporation, a comprehensive electronic components manufacturer listed on the Tokyo Stock Exchange (stock code: 6762).

Mr. Zeng obtained a bachelor's degree from Shanghai Jiao Tong University (上海交通大學) in July 1989.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Pan Jian (潘健), aged 49, is our co-chairman of the Board and executive Director. Mr. Pan is primarily responsible for management and business development of our Group.

Mr. Pan joined our Group and served as our Director since November 2014. From June 2017 to January 2025, he has served successively as our vice chairman of the Board and Director, and was appointed as our co-chairman of the Board in January 2025.

Prior to joining our Group, Mr. Pan served as (i) a consulting advisor of A.T. Kearney Inc.; (ii) a consulting advisor of Bain & Company; (iii) vice president of the investment fund of MBK Partners; and (iv) the managing director of CDH Investments Management (Hong Kong) Limited.

Mr. Pan was (i) a non-executive director of Luye Pharma Group Ltd. (綠葉製藥集團有限公司), a company listed on the Stock Exchange (stock code: 2186); and (ii) a director of Shanghai M&G Stationery Inc. (上海晨光文具股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603899), from 2011 to May 2017 and has been an independent director since April 2023.

Mr. Pan obtained an MBA degree from University of Chicago in March 2005.

Mr. Li Ping (李平), aged 57, is our vice chairman of the Board and executive Director. Mr. Li is primarily responsible for management and business development of our Group.

Mr. Li joined our Group in October 2014 and served as our chairman of the Board from November 2014 to June 2017. He has been serving as our vice chairman of the Board since June 2017. He currently holds directorships in a number of subsidiaries of our Group. Mr. Li has been (i) an executive director of Shanghai Shida Investment Management Co., Ltd. (上海適達投資管理有限公司) since January 2014, and (ii) the chairman of Shanghai Pangu Dynamic Technology Co., Ltd. (上海盤穀動力科技股份有限公司) since May 2019.

Mr. Li obtained a bachelor's degree from Fudan University (復旦大學) in July 1989 and an EMBA degree from China Europe International Business School (中歐國際工商學院) in September 2005.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Zhou Jia (周佳), aged 47, is our vice chairman of the Board and executive Director. Mr. Zhou is primarily responsible for management and business development of our Group.

Mr. Zhou joined our Group in December 2015 and successively served as our Director, executive vice general manager, chief financial officer and general manager. He has been serving as our vice chairman of the Board since August 2022. He currently holds directorships in a number of subsidiaries of our Group.

Prior to joining our Group, Mr. Zhou served as (i) a strategic consulting advisor of Bain & Company, (ii) an investment manager of U.S. Capital Group, (iii) an executive director of CDH Jiaye (Tianjin) Equity Investment Fund Partnership (Limited Partnership) (鼎暉嘉業(天津)股權投資基金合夥企業(有限合夥)), and (iv) the chief financial officer, senior human resources director and director of president office of Ningde Amperex Technology Co., Ltd. successively.

Mr. Zhou obtained an MBA degree from University of Chicago in June 2007.

Dr. Ouyang Chuying (歐陽楚英), aged 48, is our executive Director. Dr. Ouyang is primarily responsible for management of R&D system of our Group.

Dr. Ouyang joined our Group in September 2019 and currently serves as our co-president of R&D system and executive vice director of innovation laboratory. He has been serving as our Director since August 2023. He currently holds directorships and managerial positions in a number of subsidiaries of our Group.

Prior to joining our Group, since the 1990s, Dr. Ouyang has been engaged in scientific research in the field of physics. He had been a professor of Jiangxi Normal University (江西師範大學) since November 2009 and was its chief professor from 2012 to 2015. From January 2010 to December 2010, Dr. Ouyang was a visiting scholar at Korea Institute of Science and Technology.

Dr. Ouyang obtained a Ph.D. from the Institute of Physics, Chinese Academy of Sciences in July 2005. From August 2005 to August 2008, he was conducting post-doctoral research at Swiss Federal Institute of Technology of Lausanne.

Mr. Zhao Fenggang (趙豐剛), aged 59, is our executive Director. Mr. Zhao is primarily responsible for management of R&D and engineering manufacturing systems of our Group.

Mr. Zhao joined our Group in December 2015 and served as our vice president of engineering until December 2019, and currently serves as our co-president of R&D system and engineering manufacturing system. He has been serving as our Director since December 2024. He currently holds directorship in a subsidiary of our Group.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Prior to joining our Group, Mr. Zhao served as (i) a senior engineer of Sinopec Nanjing Chemical Industry Co., Ltd. (中國石化集團南京化學工業公司) from 1990 to 1998; (ii) a senior engineer of Dongguan Xinke Magnetic Power Plant (東莞新科磁電廠) from 1998 to 2000; (iii) the director of R&D of Dongguan Amperex Technology Co., Ltd. from 2000 to 2012; and (iv) the senior engineering director of Ningde Amperex Technology Co., Ltd. from 2012 to 2015.

Mr. Zhao obtained a master's degree in chemical physics from University of Science and Technology of China (中國科學技術大學) in September 1990.

Independent Non-executive Directors

Dr. Wu Yuhui (吳育輝), aged 46, is our independent non-executive Director. Dr. Wu is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Dr. Wu has been teaching at the School of Management of Xiamen University (廈門大學) since September 2010, and is now the vice dean, the head of the department of finance, a professor and a Ph.D. supervisor.

Dr. Wu has been holding or held independent directorships in multiple listed companies, including (i) an independent non-executive director of Fuyao Glass Industry Group Co., Ltd. (福耀玻璃工業集團股份有限公司), a company listed on both the Shanghai Stock Exchange (stock code: 600660) and the Stock Exchange (stock code: 3606), from October 2013 to October 2019; (ii) an independent director of Holitech Technology Co., Ltd. (合力泰科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002217), from April 2014 to December 2018; (iii) an independent director of YOOZOO Interactive Co., Ltd. (游族網絡股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002174), from October 2014 to February 2018; (iv) an independent director of Shenzhen Sunlord Electronics Co., Ltd. (深圳順絡電子股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002138), from October 2014 to December 2020; (v) an independent director of Shenzhen BGI Genomics Co., Ltd. (深圳華大基因股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300676), from June 2017 to June 2023; (vi) an independent director of Fujian Septwolves Industry Co., Ltd. (福建七匹狼實業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002029), from May 2020 to July 2022; (vii) an independent director of Qingdao Zhenghe Industrial Co., Ltd. (青島徵和工業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 003033), since November 2019; and (viii) an independent director of Xiamen C&D Corporation Limited (廈門建發股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600153), since May 2022.

Dr. Wu obtained a Ph.D. in business administration (finance) from Xiamen University in September 2010. He is also a non-practicing member of Chinese Institute of Certified Public Accountants.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Lin Xiaoxiong (林小雄), aged 63, is our independent non-executive Director. Mr. Lin is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Mr. Lin has been serving as the chairman of Fujian Yacht Industry Development Association (福建省遊艇產業發展協會) since 2016 and the honorary chairman of Fujianese Business Research Association of Fujian Province (福建省閩商研究會). Prior to these roles, Mr. Lin served as (i) the division chief and assistant to the director of Xiamen Economic Development Commission (廈門市經濟發展委員會); (ii) the chairman and general manager of Xiamen King Long Motor Group Co., Ltd. (廈門金龍汽車集團股份有限公司) (formerly known as Xiamen Automobile Co., Ltd. (廈門汽車股份有限公司)), a company listed on the Shanghai Stock Exchange (stock code: 600686); (iii) the general manager of Xiamen State-owned Assets Investment Corporation (廈門國有資產投資公司); and (iv) the chairman of Xiamen Road & Bridge Construction Group Co., Ltd. (廈門路橋建設集團有限公司).

Mr. Lin obtained a bachelor of engineering in architecture materials from Nanjing Institute of Technology (南京工學院) (currently known as Southeast University (東南大學)) in July 1982 and an MBA degree from La Trobe University in September 2011. Mr. Lin also holds the qualification as senior engineer.

Dr. Zhao Bei (趙蓓), aged 67, is our independent non-executive Director. Dr. Zhao is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Dr. Zhao has been a professor and a Ph.D. supervisor at the School of Management of Xiamen University since 2005. Dr. Zhao previously (i) taught at Acadia University, Algoma University and Mount Allison University from 1989 to 1990, from 1990 to 1994 and from 1994 to 1996, respectively; and (ii) served as a personal financial manager at Royal Bank of Canada from 1995 to 1996.

Dr. Zhao has been holding or held independent directorships in multiple listed companies, including (i) an independent director of Fujian Septwolves Industry Co., Ltd. from April 2017 to July 2022; (ii) an independent director of Huaxia Eye Hospital Group Co., Ltd. (華廈眼科醫院集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301267), from December 2016 to December 2022; (iii) an independent director of Xiamen King Long Motor Group Co., Ltd. since September 2020; and (iv) an independent director of Anjoy Food Group Co., Ltd. (安井食品集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603345), since May 2023.

Dr. Zhao obtained a bachelor's degree in economics from Xiamen University in July 1982, an MBA degree from Dalhousie University in February 1986, and a Ph.D. from the University of Hong Kong in December 2003.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BOARD OF SUPERVISORS

Our Board of Supervisors consists of three Supervisors including one employee representative Supervisor. Our Supervisors serve a term of three years and may be re-elected for successive re-appointment. The following table sets forth the key information about our Supervisors as of the Latest Practicable Date.

Name	Age	Positions	Roles and responsibilities	Time of first joining our Group	Time of first appointment as a Supervisor
Mr. Wu Yingming (吳映明).	58	Chairman of the Board of Supervisors	Supervising the performance of duties by Directors and senior management	December 2015	December 2015
Ms. Feng Chunyan (馮春艷).	50	Supervisor	Supervising the performance of duties by Directors and senior management	January 2016	December 2016
Dr. Liu Na (柳娜).	45	Supervisor (employee representative Supervisor)	Supervising the performance of duties by Directors and senior management	January 2016	December 2021

Mr. Wu Yingming (吳映明), aged 58, is the chairman of our Board of Supervisors. He was appointed as a Supervisor in December 2015 and is primarily responsible for supervising the performance of duties by Directors and senior management.

Mr. Wu joined our Group in December 2015 and served as our procurement and information technology director until May 2017. Mr. Wu currently serves as our regional management head. He currently holds directorships and managerial positions in a number of subsidiaries of our Group.

Prior to joining our Group, Mr. Wu served as (i) the procurement and information technology director of Dongguan Amperex Technology Co., Ltd. from 2006 to 2012; and (ii) the procurement director of Ningde Amperex Technology Co., Ltd. from 2012 to 2015.

Mr. Wu obtained a bachelor's degree in computer software from Northeastern University of Technology (東北工學院) (currently known as Northeastern University (東北大學)) in July 1989.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Feng Chunyan (馮春艷), aged 50, was appointed as a Supervisor in December 2016 and is primarily responsible for supervising the performance of duties by Directors and senior management.

Ms. Feng joined our Group in January 2016 and served as our senior manager of president office until December 2016, and as our head of general management department from January 2017 to September 2020. Currently, Ms. Feng serves as our co-president of supply chain and operation system. Ms. Feng also holds directorships and managerial positions in a number of subsidiaries of our Group.

Prior to joining our Group, Ms. Feng served as (i) a process engineer of Dongguan Chengda Products Factory (東莞承達製品廠) from 1997 to 2002; (ii) a department manager of Dongguan Xinke Magnetic Power Plant (東莞新科磁電廠) from 2002 to 2011; and (iii) a senior manager of Ningde Amperex Technology Co., Ltd. from 2011 to 2015.

Ms. Feng obtained a bachelor's degree from Jiamusi University (佳木斯大學) in June 1997.

Dr. Liu Na (柳娜), aged 45, was appointed as a Supervisor in December 2021 and is primarily responsible for supervising the performance of duties by Directors and senior management.

Dr. Liu joined our Group in January 2016 and previously held the position as our senior chief engineer. Currently, Dr. Liu serves as our vice president of the research institute.

Prior to joining our Group, Dr. Liu served as (i) the chief engineer of Dongguan Amperex Technology Co., Ltd.; and (ii) the senior chief engineer of Ningde Amperex Technology Co., Ltd.

Dr. Liu obtained a Ph.D. from the Institute of Physics, Chinese Academy of Sciences in July 2006.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table sets forth the key information about our senior management as of the Latest Practicable Date.

Name	Age	Positions	Roles and responsibilities	Time of first joining our Group	Time of first appointment as a senior management
Mr. Zeng Yuqun (曾毓群)	57	Chairman of the Board, executive Director and general manager	Overall strategic planning and development of our Group	December 2011	August 2022
Mr. Tan Libin (譚立斌)	56	Vice general manager	Sales operations of our Group	December 2015	December 2015
Mr. Jiang Li (蔣理)	45	Vice general manager and Board secretary	Board related matters, capital market matters and corporate governance of our Group	June 2017	June 2017
Mr. Zheng Shu (鄭舒)	45	Chief financial officer	Overall financial matters of our Group	April 2016	June 2017

Mr. Zeng Yuqun (曾毓群), aged 57, is our general manager. For his biography, see “— Board of Directors — Executive Directors.”

Mr. Tan Libin (譚立斌), aged 56, is our vice general manager. Mr. Tan is primarily responsible for sales operations of our Group.

Mr. Tan joined our Group in December 2015 and served as our Director until May 2017. Currently, he serves as our vice general manager, chief customer officer and co-president of marketing system.

Prior to joining our Group, Mr. Tan served as (i) a department manager of Dongguan Xinke Magnetic Power Plant from 1991 to 1998; (ii) the NPI manager of Dell (China) Computer Co., Ltd. (戴爾(中國)計算機公司) from 1999 to 2001; (iii) the sales manager of Dongguan Amperex Electronic Technology Co., Ltd. from 2001 to 2004; (iv) the sales director of Dongguan Amperex Technology Co., Ltd. from 2004 to 2013; and (v) the vice president of sales of Ningde Amperex Technology Co., Ltd. from 2013 to 2015.

Mr. Tan obtained a bachelor’s degree in mechanical design and manufacture from Zhejiang University (浙江大學) in July 1991.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Jiang Li (蔣理), aged 45, is our vice general manager and Board secretary. Joining our Group in June 2017, Mr. Jiang is primarily responsible for Board related matters, capital market matters and corporate governance of our Group. He currently holds directorships and managerial positions in a number of subsidiaries of our Group.

Prior to joining our Group, Mr. Jiang served as (i) an associate of investment banking department of China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司), a company listed on both the Shanghai Stock Exchange (stock code: 601881) and the Stock Exchange (stock code: 6881), from 2004 to 2007; (ii) the associate director, director and executive director of investment banking department of UBS Securities Co., Ltd. (瑞銀證券有限責任公司) successively from 2008 to 2015; and (iii) the office manager of the board of directors of CDB Securities Company Limited (國開證券有限責任公司) from 2015 to 2017.

Mr. Jiang obtained a master's degree in finance from Peking University (北京大學) in June 2004.

Mr. Zheng Shu (鄭舒), aged 45, is our chief financial officer. Mr. Zheng is primarily responsible for overall financial matters of our Group.

Mr. Zheng joined our Group in April 2016 and served as our head of financial department. He has been serving as our chief financial officer since June 2017. He currently holds directorships and managerial positions in a number of subsidiaries of our Group.

Prior to joining our Group, Mr. Zheng served as (i) the vice manager of financial department at Fujian branch of China Tietong Telecommunications Corporation (中國鐵通集團有限公司) from 2002 to 2006; (ii) the budget manager of overseas regions of Huawei Technologies Co., Ltd. (華為技術有限公司) and financial manager of its subsidiary from 2006 to 2009; (iii) the general manager of financial department of Oneding Silicon Steel Group Company Limited (萬鼎硅鋼集團有限公司) from 2009 to 2013; and (iv) the chief financial officer of Changyou.com Limited (搜狐暢遊), a company listed on the NASDAQ (stock code: CYOU) from 2013 to 2016.

Mr. Zheng obtained dual bachelor's degrees in accounting and in computer science and technology from Fuzhou University (福州大學) in July 2002. Mr. Zheng is also a Chartered Institute of Management Accountant (CIMA) and a Chartered Global Management Accountant (CGMA).

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

OTHER INFORMATION IN RELATION TO OUR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Save as disclosed above, to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there are no material matters relating to their appointment as a Director or Supervisor that need to be brought to the attention of our Shareholders and there is no other information in relation to his or her appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules as of the Latest Practicable Date.

Save as disclosed above, none of our Directors, Supervisors and senior management held any directorships in any other company listed in Hong Kong or overseas during the three years immediately preceding the date of this prospectus.

None of our Directors, Supervisors and senior management is related to other Directors, Supervisors and senior management.

JOINT COMPANY SECRETARIES

Mr. Jiang Li (蔣理) will be one of our joint company secretaries with effect from the Listing Date. For details of his biography, see “— Senior Management.”

Ms. Jian Xuegen (簡雪艮) will be one of our joint company secretaries with effect from the Listing Date.

Ms. Jian is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited. Ms. Jian obtained her bachelor's degree of accounting from the South China University of Technology (華南理工大學) in July 2008. She is a member of the Hong Kong Institute of Certified Public Accountants. She is also a member of the Chinese Institute of Certified Public Accountants.

BOARD COMMITTEES

Our Company has established four committees under the Board in accordance with the relevant laws and regulations in mainland China, the Articles of Association and the Corporate Governance Code under the Listing Rules, including the Strategy Committee, the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Strategy Committee

We have established the Strategy Committee in compliance with the Articles of Association. The primary duties of the Strategy Committee are to review our Company's long-term development strategies and major investment decisions, and to make recommendations to our Board. The Strategy Committee comprises six executive Directors, namely Mr. Zeng Yuqun, Mr. Pan Jian, Mr. Li Ping, Mr. Zhou Jia, Dr. Ouyang Chuying and Mr. Zhao Fenggang. Mr. Zeng Yuqun is the chairperson of the Strategy Committee.

Audit Committee

We have established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review our Company's financial information and its disclosure, supervise and evaluate internal and external audit work and internal control, and to provide our Board with professional advice. The Audit Committee comprises three independent non-executive Directors, namely, Dr. Wu Yuhui, Mr. Lin Xiaoxiong and Dr. Zhao Bei. Dr. Wu Yuhui is the chairperson of the Audit Committee. He holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Nomination Committee

We have established the Nomination Committee in compliance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to assess the candidates and review selection criteria and procedures for Directors and senior management, and to make recommendations to the Board. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely, Mr. Lin Xiaoxiong, Dr. Wu Yuhui and Mr. Zeng Yuqun. Mr. Lin Xiaoxiong is the chairperson of the Nomination Committee.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration and Appraisal Committee are to formulate the appraisal standards for Directors and senior management, conduct appraisal, and formulate and review the remuneration policies and proposals for Directors and senior management. The Remuneration and Appraisal Committee comprises one executive Director and two independent non-executive Directors, namely, Dr. Zhao Bei, Mr. Lin Xiaoxiong and Mr. Li Ping. Dr. Zhao Bei is the chairperson of the Remuneration and Appraisal Committee.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

CORPORATE GOVERNANCE CODE

We recognize the importance of incorporating elements of good corporate governance in our management structure and internal control procedures so as to achieve effective accountability. Our Company intends to comply with all code provisions in the Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules after the Listing apart from code provision C.2.1 of Part 2 of the Corporate Governance Code, which provides that the roles of chairman of the Board and chief executive should be separate and should not be performed by the same individual.

The roles of chairman of the Board and general manager of our Company are currently performed by Mr. Zeng Yuqun. In view of Mr. Zeng Yuqun's substantial contribution to our Group since our establishment and his extensive experience, we consider that having Mr. Zeng Yuqun acting as both our chairman of the Board and general manager will provide strong and consistent leadership to our Group and facilitate the efficient execution of our business strategies. We consider it appropriate and beneficial to our business development and prospects that Mr. Zeng Yuqun continues to act as both our chairman of the Board and general manager after the Listing, and therefore currently do not propose to separate the functions of chairman of the Board and general manager. While this would constitute a deviation from code provision C.2.1 of Part 2 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Company, given that: (a) there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board comprises three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (b) Mr. Zeng Yuqun and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (c) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether the separation of the roles of chairman of the Board and general manager is necessary.

MANAGEMENT PRESENCE IN HONG KONG

According to Rules 8.12 and 19A.15 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Since the principal business operations of our Group are conducted outside of Hong Kong, our Company does not and for the foreseeable future will not have a sufficient management presence in Hong Kong. We have applied for, and the Stock Exchange has granted us, a waiver from compliance with Rules 8.12 and 19A.15 of the Listing Rules. For details, see "Waivers and Exemptions — Management Presence in Hong Kong."

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BOARD DIVERSITY POLICY

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. We recognize and embrace the benefits of having a diverse Board and see increasing diversity at the Board level as an essential element in supporting the attainment of our Company's strategic objectives and sustainable development. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a director of our Company, the Nomination Committee will consider a number of factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. In particular, our Company currently has one female Director in the Board and will continue to work towards enhancing the gender diversity of the Board. Our Directors have a balanced mix of knowledge and skills, and we have three independent non-executive Directors, with different industry backgrounds. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our Board diversity policy. Pursuant to the board diversity policy, after the Listing, the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE HIGHEST PAID INDIVIDUALS

The Directors, Supervisors and senior management who receive remuneration from our Company are paid in forms of fees, salaries, allowances, discretionary bonuses, benefits in kind, retirement scheme contributions and share-based compensation. When reviewing and determining the specific remuneration packages for our Directors, Supervisors and senior management, the Shareholders' meetings and the Board of Directors take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, our Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of our Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

For the three years ended December 31, 2024, the total amount of remuneration paid to our Directors and Supervisors were RMB21.9 million, RMB34.8 million and RMB25.0 million, respectively.

For the three years ended December 31, 2024, the total emoluments paid to the five highest paid individuals (excluding two, one and one Director(s)) by us amounted to RMB15.8 million, RMB49.7 million and RMB78.6 million, respectively.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of our Company or any of our subsidiaries.

During the Track Record Period, none of our Directors or Supervisors waived any remuneration. Save as disclosed above, during the Track Record Period, no other amounts shall be paid or payable by us or any of our subsidiaries to our Directors, Supervisors or the five highest paid individuals.

For more details on remuneration paid to our Directors, Supervisors and senior management and, on an aggregate basis, the five highest paid individuals of our Group during the Track Record Period, see Notes 9 and 10 to the Accountants' Report as set out in Appendix I to this prospectus; and for details regarding the Share Incentives granted to our Directors and senior management, see "Appendix VI — Statutory and General Information — 4. Share Incentive Plans" to this prospectus.

CONFIRMATIONS FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on January 20, 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she had no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointments.

Rule 8.10 of the Listing Rules

Each of our Directors (excluding our independent non-executive Directors) confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules.

COMPLIANCE ADVISOR

We have appointed China Securities (International) Corporate Finance Company Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. Our Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Advisor will advise our Company in certain circumstances including:

- (i) before the publication of any regulatory announcement, circular, or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases; and
- (iii) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this prospectus; and where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of appointment of our Compliance Advisor shall commence on the Listing Date and continue until the longer of (i) the date on which our Company complies with the requirements under Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year immediately following the Listing Date, or (ii) the appointment of an independent non-executive Director who will be ordinarily resident in Hong Kong has been confirmed and approved.

FINANCIAL INFORMATION

The following discussion and analysis should be read in conjunction with our consolidated financial statements included in “Appendix I — Accountants’ Report,” together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with the IFRSs.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, the actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in “Risk Factors” and “Forward-Looking Statements” and elsewhere in this prospectus.

OVERVIEW

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

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

Our revenue increased by 22.0% from RMB328.6 billion in 2022 to RMB400.9 billion in 2023. Our revenue decreased by 9.7% from RMB400.9 billion in 2023 to RMB362.0 billion in 2024. Our profit increased by 41.5% from RMB33.5 billion in 2022 to RMB47.3 billion in 2023, and further increased by 16.8% to RMB55.3 billion in 2024.

FINANCIAL INFORMATION

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations are affected by a number of factors, including but not limited to the following.

Growing NEV and EV Battery Markets

The expansion of low-carbon transportation ecosystem is driving the rising penetration of NEV. According to the GGII Report, the global sales volume of NEV increased from 3.2 million units in 2020 to 17.5 million units in 2024 with a CAGR of 52.9%. The global EV battery shipments increased from 182 GWh in 2020 to 974 GWh in 2024, with a CAGR of 52.0%, driven by the increasing sales volume of NEV across end markets. The continuous growth of the global NEV market provides a strong foundation for our increasing operating results.

Growing ESS Market

As clean energy transition gains momentum around the globe, renewable energy such as wind and solar power is experiencing rapid growth. According to the GGII Report, the global cumulative installed capacity of wind and solar power grew from 1,505 GW in 2020 to 3,555 GW in 2024 with a CAGR of 24.0%. The development of renewable energy has propelled global ESS battery shipments, which increased from 27 GWh in 2020 to 300 GWh in 2024 with a CAGR of 82.5%. Robust growth in the ESS market has driven, and will continue to drive, our operating results.

Ability to Continuously Develop New Products and Attract Customer Orders

We have the broadest customer and end-user coverage, having established long-term and deep strategic partnerships with many automotive OEMs and ESS customers globally. Through product innovation, we are able to address diverse market demands. Our ability to consistently develop and launch new products while attracting customer orders is critical to our market share expansion and revenue growth.

Expansion into Emerging Business Areas

Aside from our EV and ESS battery business, we are actively expanding into emerging new energy applications such as machinery, vessels, aircraft and others. We have introduced new innovative solutions such as Skateboard Chassis and battery swapping, thus accelerating total electrification. Our ability to effectively expand into new emerging areas and launching innovative solutions are key factors driving our future revenue growth and profitability.

FINANCIAL INFORMATION

Cost Control and Operational Efficiency

Our cost of sales primarily consists of direct material cost. We enhance our production efficiency and reduce production costs through technological innovation and supply chain management. In addition, our operating expenses include research and development expenses, administrative and other operational expenses, and selling expenses, among others. Our ability to improve operational efficiency and maintain effective cost control will also affect our results of operations.

BASIS OF PRESENTATION AND PREPARATION

Our historical financial information has been prepared in accordance with the IFRSs. All IFRSs that are effective for the accounting period beginning on January 1, 2024, together with the relevant transitional provisions, have been early adopted by us in the preparation of the historical financial information throughout the Track Record Period. The historical financial information has been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair value.

MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Our accounting policies may require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results during the Track Record Period. Amendments to accounting standards, implementation of new standards and changes in accounting policies may also require us to adjust the presentation of our financial statements, which could materially impact the comparability of our financial metrics and our reported results of operations.

Set forth below are discussions of the accounting policies that we believe are most significant to us or involve the most critical estimates, assumptions and judgments used in the preparation of our financial statements. Other material accounting policies, critical estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in detail in Notes 3.2 and 4 to the Accountants' Report in Appendix I to this prospectus.

Revenue Recognition

Revenue mainly arises from the following major sources:

- (i) sales of EV batteries;
- (ii) sales of ESS batteries;
- (iii) sales of battery materials from recycling process;
- (iv) sales of battery mineral resources; and
- (v) others.

To determine whether to recognize revenue, we follow a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognizing revenue when or as performance obligations are satisfied.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognized either at a point in time or over time, when we satisfy performance obligations by transferring the promised goods or services to our customers.

Further details of our revenue and other income recognition policies are as follows:

Sale of Goods

Revenue from sale of goods between us and our customers generally only includes a performance obligation for the transfer of goods, which is recognized when the performance obligation has been satisfied at a point in time. Revenue for domestic sale of goods is recognized when we have delivered the products to the customers in accordance with the contract terms, and has received acceptance and other proof of receipt from the customers. Revenue for overseas sale of goods is recognized when we have declared the goods for customs clearance in accordance with the contract terms, and has obtained a customs clearance or received acceptance and other proof of receipt from the customers.

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We provide after-sale service fee for its goods and makes the respective provisions. We do not provide any other additional services or after-sale service, therefore, such after-sale service does not constitute a separate performance obligation.

In order to strengthen customer cooperation and promote product sales, we negotiate sales rebates with selected customers based on factors including sales volume and market development, and set purchase targets and other conditions. Once these conditions are met, corresponding rebates will be provided as agreed upon. Such sale rebate terms are variable considerations. For the contracts that contain sales rebate, we estimate the amount of consideration to which we will be entitled using either (a) the expected value or (b) the most likely amount, depending on which method better predicts the amount of consideration to which we will be entitled. The expected value is an estimated amount calculated on the basis of the various possible amounts of consideration that could occur under the sales rebates terms and their related probabilities. The most likely amount is the single amount that is most likely to occur in a range of possible amounts of consideration.

Provision of Services

Revenue from provision of services between us and our customers generally include technical services. If the customers obtain and consume the economic benefits brought by our performance when we have performed our obligations, we may treat our performance obligation has been satisfied within a certain period of time and recognize the respective revenue over time, except for those revenue where the progress of performance cannot be reasonably determined.

Revenue from provision of services is recognized when we have satisfied the corresponding performance obligation in accordance with the contract terms, and have received acceptance and other proof of receipt form the customers.

Dividend Income

Dividend income is recognized when the right to receive payment is established.

Interest Income

Interest income is recognized on a time proportion basis using the effective interest method. For financial assets measured at amortized cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortized cost (i.e., gross carrying amount net of expected credit losses (“ECL”) allowance) of the asset.

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Estimation of Impairment of Trade and Bills Receivables and Contract Assets

We make allowances on trade and bills receivables and contract assets based on assumptions about risk of default and expected loss rates. We use judgment in making these assumptions and selecting the inputs to the impairment calculation, based on our past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. As of December 31, 2022, 2023 and 2024, the aggregate carrying amounts of trade and bills receivables and contract assets amounted to RMB61.7 billion (net of ECL allowance of RMB1.8 billion), RMB66.0 billion (net of ECL allowance of RMB2.1 billion) and RMB64.7 billion (net of ECL allowance of RMB2.7 billion), respectively.

The provision of ECL is sensitive to changes in estimates. When the actual future cash flows are different from expected, such difference will impact the carrying amount of trade and bills receivables and contract assets, and credit losses in the periods in which such estimate has been changed.

Impairment of Non-financial Assets (Other than Contract Assets)

The following assets are subject to impairment testing:

- Goodwill arising on acquisition of a subsidiary;
- Intangible assets;
- Property, plant and equipment; and
- Right-of-use assets.

Goodwill and intangible assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognized as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU sub-level. Corporate assets are allocated to individual CGUs, when a reasonable and consistent basis of

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allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified. Goodwill in particular is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose and not be larger than an operating segment.

Impairment losses recognized for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Estimation of Fair Value of Financial Instruments not Traded in an Active Market

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. We use our judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each period during the Track Record Period. For details of the valuation techniques, inputs and key assumptions used in the determination of the fair value of financial assets at level 3 fair value hierarchy, see Note 45 to the Accountants' Report as set out in Appendix I to this prospectus.

Impairment of Property, Plant and Equipment, Intangible Assets with Finite Useful Lives and Right-of-use Assets

Property, plant and equipment, intangible assets with finite useful lives and right-of-use assets are stated at costs less accumulated depreciation or amortization and impairment, if any. In determining whether an asset is impaired, we have to exercise judgment and make estimation, particularly in assessing: (i) whether an event has occurred or any indicators that may affect the asset value; (ii) whether the carrying amount of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (iii) the appropriate key assumptions to be applied in estimating the recoverable amount, including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), we estimate the recoverable amount of the CGU to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

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As of December 31, 2022, 2023 and 2024, the aggregate carrying amounts of property, plant and equipment, intangible assets with finite useful lives and right-of-use assets amounted to RMB137.1 billion (net of impairment losses of RMB0.6 billion), RMB161.1 billion (net of impairment loss of RMB5.5 billion) and RMB162.2 billion (net of impairment losses of RMB10.8 billion), respectively.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

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

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Revenue

During the Track Record Period, our revenue was derived primarily from EV batteries, ESS batteries, battery materials and recycling, and battery mineral resources.

The following table sets forth the breakdown of our revenue by product type for the years indicated.

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

Note:

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

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

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

The following table sets forth a geographic breakdown of our revenue for the years indicated.

	For the year ended December 31,					
	2022		2023		2024	
	RMB'000	%	RMB'000	%	RMB'000	%
Mainland China	251,670,828	76.6	269,924,895	67.3	251,677,045	69.5
Other countries/ regions ⁽¹⁾	76,923,160	23.4	130,992,150	32.7	110,335,509	30.5
Total	328,593,988	100.0	400,917,045	100.0	362,012,554	100.0

Note:

- (1) Primarily including revenue from Europe, the U.S. and other countries/regions, among which revenue from Europe accounted for the largest proportion.

Cost of Sales

Our cost of sales primarily consisted of (i) cost of direct materials for battery production, primarily including cathode, anode, separator and electrolyte, and (ii) others, including employee benefits, depreciation and amortization, logistics and transportation expenses and after-sales service expenses.

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The following table sets forth the breakdown of our cost of sales by nature for the years indicated.

	For the year ended December 31,					
	2022		2023		2024	
	RMB'000	%	RMB'000	%	RMB'000	%
Direct materials	226,656,083	83.8	255,662,877	78.9	202,723,479	74.1
Others	43,973,697	16.2	68,319,253	21.1	70,795,480	25.9
Total	270,629,780	100.0	323,982,130	100.0	273,518,959	100.0

During the Track Record Period, our cost of sales primarily consisted of the cost of direct materials for battery production. Our cost of sales increased by 19.7% from RMB270.6 billion in 2022 to RMB324.0 billion in 2023, primarily due to increased sales volume, partially offset by a decline in raw material prices. Our cost of sales decreased by 15.6% from RMB324.0 billion in 2023 to RMB273.5 billion in 2024, primarily due to decrease in the prices of raw materials, including lithium carbonate, partially offset by the increase in sales volume.

The direct materials in our cost of sales primarily comprise cathode, anode, separator, and electrolyte. These materials are significantly affected by the prices of metals or commodities such as lithium, nickel and cobalt. Due to fluctuations in these material prices and market supply-demand conditions, our material procurement prices and volumes also vary accordingly.

In 2022, 2023 and 2024, our direct materials costs (as part of cost of sales) were RMB226.7 billion, RMB255.7 billion and RMB202.7 billion, respectively. For illustrative purposes only, assuming that all other factors affecting our financial performance remain constant (including assuming that material price fluctuations cannot be passed on to customers through price adjustment mechanisms), the sensitivity analysis of the impact of fluctuations in the average price of direct materials being 1% and 5% (the actual average fluctuation may be smaller as we use various types of materials in our production) on our profit before income tax during the Track Record Period is as follows:

	For the years ended December 31,		
	2022	2023	2024
	(RMB in million)		
Fluctuations in the average price of direct materials			
-/+1%	+/-2,267	+/-2,557	+/-2,027
-/+5%	+/-11,333	+/-12,783	+/-10,136

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The average price fluctuations of direct materials illustrated above only account for variations in a single factor. Our operating performance is influenced by the interplay of multiple factors, including continuous supply chain optimization, price adjustment mechanisms, and commodity hedging. To address material price fluctuations and supply risks, we take measures in areas such as self-operated mining and production of raw materials, investment partnerships, and long-term procurement agreements, while continuously deepening our global supply chain layout and improving our supply chain management system. Meanwhile, we have included price adjustment mechanisms in our framework sales agreement or supplementary agreements, giving us flexibility to adjust the pricing of our products when supply and demand or basic business conditions change. In addition, we engage in commodity hedging to effectively manage the risks of significant price fluctuations and enhance the stability and sustainability of our operating performance.

The price of raw materials including lithium carbonate showed a downward trend amid fluctuations during the Track Record Period. Its impact on our results of operations included: (i) for revenue, the average selling price of our products was reduced in response to decrease in the prices of raw materials including lithium carbonate, which in turn affected the growth rate of our revenue; (ii) for cost of sales, our direct material cost per unit decreased, which was attributable to the decrease in price of raw materials including lithium carbonate; our direct materials costs were also affected by the interplay of multiple factors, including continuous supply chain optimization and technological innovation; and (iii) for gross profit margin, the average selling price of our battery products was reduced in response to decrease in the cost of raw materials including lithium carbonate, which, combined with our stable and improving unit economics, led to the consequent increase of our gross profit margin.

The following table sets forth the breakdown of our cost of sales by product type for the years indicated.

	For the year ended December 31,					
	2022		2023		2024	
	RMB'000	%	RMB'000	%	RMB'000	%
EV batteries	203,174,610	75.1	233,547,579	72.1	192,461,282	70.4
ESS batteries	38,698,025	14.3	48,726,092	15.0	41,914,003	15.3
Battery materials and recycling	20,506,030	7.6	29,777,745	9.2	25,682,916	9.4
Battery mineral resources	3,956,846	1.5	6,197,890	1.9	5,024,611	1.8
Others ⁽¹⁾	4,294,269	1.6	5,732,824	1.8	8,436,147	3.1
Total	270,629,780	100.0	323,982,130	100.0	273,518,959	100.0

Note:

- (1) Primarily including the cost of sales related to (i) sales of raw materials and scrap materials, and (ii) provision of research and development services.

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Gross Profit and Gross Profit Margin

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

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

Our gross profit increased by 32.7% from RMB58.0 billion in 2022 to RMB76.9 billion in 2023, and further increased by 15.0% to RMB88.5 billion in 2024. Our gross profit margin increased from 17.6% in 2022 to 19.2% in 2023, and further increased to 24.4% in 2024. Our gross profit margin showed continued growth during the Track Record Period, mainly attributable to the increases in gross profit margins for sales of EV batteries and ESS batteries.

The increases in gross profit margins for sales of EV batteries and ESS batteries were mainly because (i) the unit economics of our battery products remained stable while increasing, driven by the scaled commercial application of our innovative products, such as Qilin battery and Shenxing battery, which gained wide customer recognition following their market launch; and (ii) the average selling price of our battery products was reduced in response to decrease in the cost of raw materials including lithium carbonate. This, combined with our stable and improving unit economics, led to the consequent increase of our gross profit margin.

Our gross profit margin for battery materials and recycling business decreased during the Track Record Period, mainly because the price of lithium carbonate showed a downward trend amid fluctuations during the Track Record Period, leading to a corresponding decrease in the prices of raw materials, including cathode materials. As a result, the average selling price of our battery materials and recycled metal products decreased, leading to a decrease in gross profit margin for our battery materials and recycling business.

Our gross profit margin for battery mineral resources business showed notable variability, mainly because the prices of raw materials including lithium and nickel experienced significant fluctuations during the Track Record Period, leading to changes in the gross profit margin for our battery mineral resources business.

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Research and Development Expenses

Our research and development expenses primarily consisted of employee benefit expenses and material costs. The following table sets forth the breakdown of our research and development expenses for the years indicated.

	For the year ended December 31,					
	2022		2023		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Employee benefit expenses . .	6,139,594	39.6	7,421,248	40.4	7,561,191	40.6
Material costs	6,364,041	41.0	5,396,630	29.4	5,845,226	31.4
Others ⁽¹⁾	3,006,818	19.4	5,538,230	30.2	5,200,339	27.9
Total	15,510,453	100.0	18,356,108	100.0	18,606,756	100.0

Note:

- (1) Primarily including depreciation and amortization costs, development and design expenses, and administrative and office expenses.

Our research and development expenses as a percentage of our revenue remained stable during the Track Record Period, accounting for 4.7%, 4.6% and 5.1% of our revenue in 2022, 2023 and 2024, respectively. We pursue iterative innovation in battery materials, electrochemistry, and system structures, making significant investments in research and development, with employee benefits for our R&D personnel continuously increasing both in absolute amount and as a percentage of total research and development expenses.

Administrative and Other Operating Expenses

Our administrative and other operating expenses primarily consisted of employee benefits, taxes and surcharges, depreciation and amortization costs, and administrative and office expenses. The following table sets forth the breakdown of our administrative and other operating expenses for the years indicated.

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	For the year ended December 31,					
	2022		2023		2024	
	RMB'000	%	RMB'000	%	RMB'000	%
Employee benefit expenses	4,177,011	51.5	4,551,375	43.2	4,707,167	39.4
Taxes and surcharges	907,484	11.2	1,695,508	16.1	2,057,466	17.2
Depreciation and amortization costs	927,730	11.4	1,577,059	15.0	2,059,630	17.2
Administrative and office expenses	760,790	9.4	736,399	7.0	1,248,011	10.4
Share-based payments	178,691	2.2	262,482	2.5	293,558	2.5
Business expenses	107,078	1.3	184,114	1.7	240,942	2.0
Service fees	217,632	2.7	369,107	3.5	204,953	1.7
Others	827,371	10.2	1,150,395	10.9	1,140,530	9.5
Total	8,103,787	100.0	10,526,439	100.0	11,952,257	100.0

Our administrative and other operating expenses as a percentage of our revenue increased slightly during the Track Record Period, accounting for 2.5%, 2.6% and 3.3% of our revenue in 2022, 2023 and 2024, respectively. As our business scale expanded, taxes and surcharges increased both in absolute amount and as a percentage of administrative and other operating expenses, while we remained focused on the continuous optimization of our administrative and other operating expenses.

Selling Expenses

Our selling expenses primarily consisted of employee benefit expenses, as well as administrative and office expenses. In 2022, 2023 and 2024, our selling expenses amounted to RMB2.5 billion, RMB3.0 billion and RMB3.6 billion, respectively.

Our selling expenses as a percentage of our revenue remained stable during the Track Record Period, accounting for 0.8%, 0.8% and 1.0% of our revenue in 2022, 2023 and 2024, respectively.

Other Income

Our other income primarily consisted of interest income. Our other income increased from RMB7.0 billion in 2022 to RMB14.9 billion in 2023, and further increased to RMB19.5 billion in 2024.

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Other Gains and Losses, Net

The following table sets forth a breakdown of our net other gains and losses for the years indicated.

	For the year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>		
Fair value gains on financial assets at fair value through profit or loss (“FVTPL”)	400,241	46,270	664,223
Loss on disposal of property, plant and equipment, right-of-use assets and intangible assets	(43,252)	(38,574)	(238,169)
Gains on disposal/deemed disposal of investments in subsidiaries, associates and joint ventures, net	354,947	328,073	1,695,808
Interest income from financial assets at FVTPL	52,937	26,759	179,608
Losses from derecognition of financial assets at FVTOCI	(530,397)	(636,725)	(396,983)
Net foreign exchange gains/(losses) . . .	1,162,628	421,518	(1,287,050)
Others	(111,196)	263,403	(602,095)
Total	<u>1,285,908</u>	<u>410,724</u>	<u>15,342</u>

Impairment Losses

During the Track Record Period, our impairment losses were primarily related to inventories, property, plant and equipment, intangible assets, and trade and other receivables. In 2022, 2023 and 2024, our impairment losses amounted to RMB4.0 billion, RMB6.1 billion and RMB9.3 billion, respectively.

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Finance Costs

Our finance costs primarily consisted of interest expense on borrowings.

The following table sets forth the breakdown of our finance costs for the years indicated.

	For the year ended December 31,		
	2022	2023	2024
	RMB'000		
Interest expense on borrowings	2,167,340	3,720,103	4,088,479
Interest expense on lease liabilities	<u>27,977</u>	<u>17,783</u>	<u>60,706</u>
	2,195,317	3,737,886	4,149,185
Less: interest capitalized	<u>(62,942)</u>	<u>(291,370)</u>	<u>(270,109)</u>
	<u>2,132,375</u>	<u>3,446,516</u>	<u>3,879,076</u>

Share of Results of Associates and Joint Ventures, Net

Our net share of results of associates and joint ventures primarily represented our share of profits or losses from long-term investments in associates and joint ventures. We recorded share of net results of associates and joint ventures of RMB2.6 billion, RMB3.7 billion and RMB3.7 billion in 2022, 2023 and 2024, respectively. For details of the associates and joint ventures we invested in during the Track Record Period, see Note 20 to the Accountants' Report as set out in Appendix I to this prospectus.

Income Tax Expense

Our income tax primarily consisted of current income tax and deferred income tax. In 2022, 2023 and 2024, we recorded income tax expenses of RMB3.2 billion, RMB7.2 billion and RMB9.2 billion, respectively. We are subject to different tax rates in different jurisdictions.

Pursuant to the existing legislation, interpretations and practices, the income tax provision of some of our entities in mainland China was calculated at the statutory tax rate of 25% on the estimated assessable profits during the Track Record Period. Several of our subsidiaries in mainland China qualified as high-tech enterprises, and several subsidiaries' operations fell within the scope of China's Western Development Program. Accordingly, they enjoyed a preferential income tax rate of 15% for the Track Record Period. Pursuant to the relevant laws and regulations, one of our subsidiaries in mainland China qualified as a key software enterprise encouraged by the state. This subsidiary is entitled to an enterprise income tax exemption for its first five profitable years, and will be taxed at 10% starting from the sixth year. This subsidiary first recorded profit in 2022.

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The provision for Hong Kong profits tax is generally calculated at 16.5% of the estimated assessable profits. Taxation for our overseas subsidiaries is calculated at the tax rates prevailing in the relevant jurisdictions, among which the income tax rates of the subsidiaries in Germany and Hungary are 30.175% to 32.975% and 11.3%, respectively.

During the Track Record Period and up to the Latest Practicable Date, we did not have any disputes or unresolved tax issues with the relevant tax authorities which may have a material adverse impact on our business, financial position and results of operations.

Profits for the Year

We recorded a profit of RMB33.5 billion, RMB47.3 billion and RMB55.3 billion in 2022, 2023 and 2024, respectively.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue decreased by 9.7% from RMB400.9 billion in 2023 to RMB362.0 billion in 2024. This decrease was primarily due to a reduction in our average selling price in response to decrease in the prices of raw materials, despite sales volume growth in both EV batteries and ESS batteries.

Our revenue generated from sales of EV batteries decreased by 11.3% from RMB285.3 billion in 2023 to RMB253.0 billion in 2024. This decrease was mainly due to a reduction in our average selling price in response to decrease in the prices of raw materials, including lithium carbonate, despite the increased sales volume of our EV batteries.

Our revenue generated from sales of ESS batteries decreased by 4.4% from RMB59.9 billion in 2023 to RMB57.3 billion in 2024. This decrease was mainly due to a reduction in our average selling price in response to decrease in the prices of raw materials, including lithium carbonate, despite the increased sales volume of our ESS batteries.

Cost of Sales

Our cost of sales decreased by 15.6% from RMB324.0 billion in 2023 to RMB273.5 billion in 2024, primarily due to the decrease in the prices of raw materials, including lithium carbonate, partially offset by the growth in our sales volume.

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Gross Profit and Gross Profit Margin

Our gross profit increased by 15.0% from RMB76.9 billion in 2023 to RMB88.5 billion in 2024. Our gross profit margin increased from 19.2% in 2023 to 24.4% in 2024, mainly due to the increase in the gross profit margin for sales of EV batteries and ESS batteries.

Our gross profit for sales of EV batteries increased by 17.2% from RMB51.7 billion in 2023 to RMB60.6 billion in 2024, and our gross profit margin increased from 18.1% to 23.9% for the same year. Our gross profit for sales of ESS batteries increased by 37.6% from RMB11.2 billion in 2023 to RMB15.4 billion in 2024, and our gross profit margin increased from 18.7% to 26.8% for the same year. The increase in the gross profit margin for sales of EV batteries and ESS batteries was mainly because (i) the unit economics of our batteries remained stable despite a decrease in average selling price, driven by the competitive strengths of our innovative products; and (ii) the average selling price of our batteries was reduced in response to decrease in the prices of raw materials including lithium carbonate, which, combined with stable unit economics, drove an increase in gross profit margin.

The decrease in our gross profit margin for battery materials and recycling business was mainly because the price of lithium carbonate showed a downward trend amid fluctuations, leading to a corresponding decrease in the prices of raw materials, including cathode materials. As a result, the average selling price of our battery materials and recycled metal products decreased, leading to a decrease in gross profit margin for our battery materials and recycling business.

The decrease in our gross profit margin for battery mineral resources business was mainly because the prices of raw materials including lithium and nickel decreased from 2023 to 2024, leading to a decrease in the gross profit margin for our battery mineral resources business.

Research and Development Expenses

Our research and development expenses increased from RMB18.4 billion in 2023 to RMB18.6 billion in 2024, primarily due to the increased material costs related to R&D activities as we continued to increase our investment in R&D, partially offset by declined prices for raw materials related to R&D activities.

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased from RMB10.5 billion in 2023 to RMB12.0 billion in 2024, primarily due to an increase in administrative and office expenses, depreciation and amortization cost, and taxes and surcharges as we expanded our business.

FINANCIAL INFORMATION

Selling Expenses

Our selling expenses increased from RMB3.0 billion in 2023 to RMB3.6 billion in 2024, primarily due to our business expansion and enhanced brand building efforts.

Other Income

Our other income increased from RMB14.9 billion in 2023 to RMB19.5 billion in 2024, primarily due to increased interest income as a result of an increase in bank deposit balance.

Other Gains and Losses, Net

We recorded net other gains of RMB0.4 billion and RMB15.3 million in 2023 and 2024, respectively, primarily due to a decrease in net foreign exchange gain.

Impairment Losses

Our impairment losses increased from RMB6.1 billion in 2023 to RMB9.3 billion in 2024, primarily due to an increase in impairment related to our inventories.

Finance Costs

Our finance costs increased from RMB3.4 billion in 2023 to RMB3.9 billion in 2024, primarily due to higher interest expenses from increased borrowings in line with our business expansion.

Share of Results of Associates and Joint Ventures, Net

Our net share of results of associates and joint ventures remained stable at RMB3.7 billion and RMB3.7 billion in 2023 and 2024, respectively.

Income Tax Expenses

Our income tax expense increased from RMB7.2 billion in 2023 to RMB9.2 billion in 2024, primarily reflecting the growth in our profit before tax.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 16.8% from RMB47.3 billion in 2023 to RMB55.3 billion in 2024. Our net profit margin was 11.8% and 15.3% in 2023 and 2024, respectively.

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Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue increased by 22.0% from RMB328.6 billion in 2022 to RMB400.9 billion in 2023, primarily due to the continuous sales volume growth of our EV batteries and ESS batteries, partially offset by a decrease in our average selling price.

Our revenue generated from sales of EV batteries increased by 20.6% from RMB236.6 billion in 2022 to RMB285.3 billion in 2023. Such increase was primarily attributable to the growth in sales volume driven by increasing demand for our EV batteries, partially offset by lower average selling price of our EV batteries.

Our revenue generated from sales of ESS batteries increased by 33.2% from RMB45.0 billion in 2022 to RMB59.9 billion in 2023. Such increase was primarily attributable to robust sales volume growth of our ESS batteries, partially offset by lower average selling price of our ESS batteries.

Cost of Sales

Our cost of sales increased by 19.7% from RMB270.6 billion in 2022 to RMB324.0 billion in 2023, primarily reflecting the increase in sales volume of our products, partially offset by a decline in raw material prices.

Gross Profit and Gross Profit Margin

Our gross profit increased by 32.7% from RMB58.0 billion in 2022 to RMB76.9 billion in 2023. Our gross profit margin increased from 17.6% in 2022 to 19.2% in 2023, mainly due to the increase in the gross profit margin for sales of EV batteries and ESS batteries.

Our gross profit for sales of EV batteries increased by 54.7% from RMB33.4 billion in 2022 to RMB51.7 billion in 2023, and our gross profit margin increased from 14.1% to 18.1% for the same period. Our gross profit for sales of ESS batteries increased by 77.9% from RMB6.3 billion in 2022 to RMB11.2 billion in 2023, and our gross profit margin increased from 14.0% to 18.7% for the same period. The increase in the gross profit margin for sales of EV batteries and ESS batteries was mainly because (i) the unit economics of our batteries improved despite a decrease in average selling price, driven by the competitive strengths of our innovative products; and (ii) the average selling price of our batteries was reduced in response to decrease in the prices of raw materials including lithium carbonate, which, combined with improving unit economics, drove an increase in gross profit margin.

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The decrease in our gross profit margin for battery materials and recycling business was mainly because the price of raw materials including lithium carbonate showed a downward trend amid fluctuations, leading to a corresponding decrease in the prices of battery materials, including cathode materials. As a result, the average selling price of our battery materials and products of recycling business decreased, leading to a decrease in gross profit margin for our battery materials and recycling business.

The increase in our gross profit margin for battery mineral resources business was mainly because some of our self-operated lithium mines commenced production in 2023, which had a relatively higher gross profit margin than existing battery mineral resources business based on the price of lithium carbonate during the year, resulting in an increase in the gross profit margin of our battery mineral resources business.

Research and Development Expenses

Our research and development expenses increased from RMB15.5 billion in 2022 to RMB18.4 billion in 2023, primarily because we increased our R&D investments.

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased from RMB8.1 billion in 2022 to RMB10.5 billion in 2023, primarily due to increased taxes and surcharges in line with our business growth.

Selling Expenses

Our selling expenses increased from RMB2.5 billion in 2022 to RMB3.0 billion in 2023, which was generally in line with our revenue growth.

Other Income

Our other income increased from RMB7.0 billion in 2022 to RMB14.9 billion in 2023, primarily attributable to higher interest income as a result of an increase in our bank deposit balance.

Other Gains and Losses, Net

We recognized net other gains of RMB1.3 billion and RMB0.4 billion in 2022 and 2023, respectively. The decrease was primarily due to a decrease in our net foreign exchange gain.

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Impairment Losses

Our impairment losses increased from RMB4.0 billion in 2022 to RMB6.1 billion in 2023, primarily due to an increase in impairment losses related to our property, plant and equipment and intangible assets, primarily in relation to the upgrades or adjustments made to certain machinery, partially offset by a decrease in impairment losses on inventories.

Finance Costs

Our finance costs increased from RMB2.1 billion in 2022 to RMB3.4 billion in 2023, primarily due to higher interest expenses from increased borrowings in line with our business expansion.

Share of Results of Associates and Joint Ventures, Net

Our net share of results of associates and joint ventures increased from RMB2.6 billion in 2022 to RMB3.7 billion in 2023, mainly because the number of our associates and joint ventures increased.

Income Tax Expense

Our income tax expense amounted to RMB3.2 billion in 2022 and RMB7.2 billion in 2023, primarily reflecting the growth in our profit before tax.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 41.5% from RMB33.5 billion in 2022 to RMB47.3 billion in 2023. Our net profit margin was 10.2% and 11.8% in 2022 and 2023, respectively.

FINANCIAL INFORMATION

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		
	2022	2023	2024
	<i>RMB'000</i>		
Non-current assets			
Property, plant and equipment	126,763,261	145,095,647	146,937,736
Right-of-use assets	8,475,065	9,016,403	10,003,361
Goodwill	704,065	707,882	894,757
Intangible assets	1,914,033	7,037,407	5,306,438
Investments in associates and joint ventures	17,595,207	50,027,694	54,791,525
Financial assets at FVTPL	2,645,307	2,816,190	3,135,658
Financial assets at FVTOCI	20,491,264	14,128,318	11,900,901
Prepayments, deposits and other assets	25,145,633	21,154,913	19,426,825
Deferred tax assets	9,483,660	17,395,585	24,118,834
Total non-current assets	213,217,495	267,380,039	276,516,035
Current assets			
Inventories	76,668,899	45,433,890	59,835,533
Trade and bills receivables	61,492,601	65,772,258	64,265,913
Contract assets	174,863	233,964	400,626
Prepayments, deposits and other assets	37,735,999	21,339,971	19,804,706
Financial assets at FVTPL	1,981,328	7,767	14,282,253
Financial assets at FVTOCI	18,965,715	55,289,319	53,309,701
Derivative financial instruments	575,638	—	—
Bank balances, deposits and cash	190,139,815	261,710,833	298,243,356
Total current assets	387,734,858	449,788,002	510,142,088
Current liabilities			
Trade and bills payables	191,747,512	167,825,751	179,476,484
Contract liabilities	22,444,785	23,982,352	27,834,446
Other payables and accruals	55,704,573	58,963,987	57,141,230
Borrowings	21,534,521	22,059,847	42,373,738
Lease liabilities	113,106	106,299	182,379
Derivative financial instruments	—	3,941,410	2,116,017
Income tax payable	4,216,924	10,121,425	8,047,240
Total current liabilities	295,761,421	287,001,071	317,171,534

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	As of December 31,		
	2022	2023	2024
	RMB'000		
Non-current liabilities			
Other payables and accruals	19,966,702	46,866,869	22,197,549
Contract liabilities	6,910,284	6,093,840	5,400,795
Borrowings	79,327,247	104,035,996	94,611,079
Lease liabilities	572,350	283,296	662,814
Deferred tax liabilities	1,807,813	1,364,906	1,231,236
Provisions	19,697,375	51,638,913	71,926,943
Total non-current liabilities	128,281,771	210,283,820	196,030,416

Property, Plant and Equipment

Our property, plant and equipment mainly consisted of machinery, properties and buildings, and construction in progress. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	RMB'000		
Machinery	54,981,089	60,149,929	51,794,473
Properties and buildings	32,683,496	52,654,217	56,522,165
Construction in progress	35,397,651	25,011,907	29,754,703
Exterior facilities and others	2,294,776	4,695,780	4,593,980
Special equipment	178,047	1,289,463	2,953,344
Electronic equipment	1,057,767	1,036,339	993,923
Transportation equipment	98,286	102,201	169,534
Other equipment	72,149	155,811	155,614
Total	126,763,261	145,095,647	146,937,736

Our property, plant and equipment amounted to RMB126.8 billion, RMB145.1 billion and RMB146.9 billion as of December 31, 2022, 2023 and 2024, respectively. Our property, plant and equipment increased from RMB126.8 billion as of December 31, 2022 to RMB145.1 billion as of December 31, 2023, primarily attributable to an increase in properties and buildings of RMB20.0 billion, which reflected the expansion of our production capacity to meet customer demand. Our property, plant and equipment amounted to RMB146.9 billion as of December 31, 2024 and remained stable as compared to December 31, 2023.

FINANCIAL INFORMATION

Intangible Assets

Our intangible assets primarily consisted of patent rights and non-patented technologies, software, mining and exploration rights, as well as trademarks and domain names. Our intangible assets increased from RMB1.9 billion as of December 31, 2022 to RMB7.0 billion as of December 31, 2023, primarily because we newly acquired certain mining rights. Our intangible assets decreased to RMB5.3 billion as of December 31, 2024, primarily related to the impairment of certain mining rights.

Investments in Associates and Joint Ventures

We have invested in a number of associates and joint ventures. As of December 31, 2022, 2023 and 2024, our investments in associates and joint ventures amounted to RMB17.6 billion, RMB50.0 billion and RMB54.8 billion, respectively.

Financial Assets at FVTPL

The following table sets forth the details of our financial assets at FVTPL as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	<i>RMB'000</i>		
Non-current			
– Equity investments at fair value	2,645,307	2,816,190	3,135,658
Current			
– Wealth management products and structured deposits	1,981,328	7,767	14,282,253
Total	<u>4,626,635</u>	<u>2,823,957</u>	<u>17,417,911</u>

Our financial assets at FVTPL as of December 31, 2022, 2023 and 2024 amounted to RMB4.6 billion, RMB2.8 billion and RMB17.4 billion, respectively, primarily reflecting our purchase and disposal of wealth management products and structured deposits.

Our assets subject to Level 3 fair value measurement mainly included equity investment in unlisted entities at FVTPL and equity investment in unlisted entities at FVTOCI. These assets and liabilities were measured mainly using market approach, net asset approach and consensus pricing. For the assumptions utilized in our Level 3 fair value measurement, see Note 45 to the Accountants' Report as set out in Appendix I to this prospectus.

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We have established management systems that specify the approval authority, information disclosure, authorization management, operation processes, financial accounting, supervision and risk control procedures of our wealth management activities, so as to standardize our financial product investments. The types of wealth management products we choose are low-risk products with high safety and good liquidity. Adhering to prudent investment principles, we conduct investment activities with an aim to improve capital utilization efficiency and investment returns on cash assets. Our finance department manages our wealth management portfolio, primarily including the preparation of our annual wealth management plan, handling wealth management products, and conducting daily management and accounting procedures. Our internal audit department maintains daily oversight of wealth management products, including full-process audits, reviewing the approval, implementation, and performance of wealth management products. It ensures timely processing and verification of accounting records by the finance department, with timely reporting to senior management. In addition, we adhere to all applicable laws, regulations, and management policies regarding the proper disclosure of investment information.

Following the Listing, our investments in financial products will be conducted in accordance with the provisions of Chapter 14 of the Listing Rules.

Financial Assets at FVTOCI

The following table sets forth the details of our financial assets at FVTOCI as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	<i>RMB'000</i>		
Non-current			
– Equity investments at fair value	<u>20,491,264</u>	<u>14,128,318</u>	<u>11,900,901</u>
Current			
– Trade and bills receivables measured at FVTOCI	<u>18,965,715</u>	<u>55,289,319</u>	<u>53,309,701</u>
Total	<u>39,456,979</u>	<u>69,417,637</u>	<u>65,210,602</u>

The non-current portion of our financial assets at FVTOCI consisted of equity investments which are not held for trading. Our equity investments primarily included our investments in the equity of certain companies that are not traded on the open market. Such investments were classified as financial assets at FVTOCI with Level 3 fair value measurement. For details, see “— Financial Assets at FVTPL.” The current portion of our financial assets at FVTOCI represented trade and bills receivables measured at FVTOCI.

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Our financial assets at FVTOCI were RMB39.5 billion, RMB69.4 billion and RMB65.2 billion as of December 31, 2022, 2023 and 2024, respectively. The increase in our financial assets at FVTOCI from December 31, 2022 to December 31, 2023 was primarily due to an increase in receivables measured at FVTOCI as a result of an increase in our revenue. The decrease in our financial assets at FVTOCI as of December 31, 2024 was primarily due to a decrease in bills receivable from our customers for settlement of goods.

Prepayments, Deposits and Other Assets

The following table sets forth the details of our prepayments, deposits and other assets as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	<i>RMB'000</i>		
Non-current			
Prepayment on construction and equipment	11,766,627	8,077,426	8,910,741
Deposit	7,913,875	8,779,715	8,504,151
Prepayment for inventories	4,097,041	3,170,453	1,732,644
Finance lease receivables	44,316	9,840	151,342
Others	1,323,774	1,117,479	127,947
	25,145,633	21,154,913	19,426,825
Current			
Deposits and other assets	8,792,816	3,648,556	2,590,956
Prepayments	15,843,284	6,962,873	5,969,685
Other tax receivables	11,360,316	7,863,809	6,199,640
Interest receivables	903,595	2,595,682	5,268,637
Finance lease receivables	403,712	56,828	72,972
Prepaid corporate income tax	360,193	349,675	37,804
Others	186,519	72,540	49,021
Less: ECL allowance	(114,436)	(209,992)	(384,009)
	37,735,999	21,339,971	19,804,706
Total	62,881,632	42,494,884	39,231,531

The non-current portion of our prepayments, deposits and other assets remained stable at RMB25.1 billion, RMB21.2 billion and RMB19.4 billion as of December 31, 2022, 2023 and 2024, respectively.

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The current portion of our prepayments, deposits and other assets decreased from RMB37.7 billion as of December 31, 2022 to RMB21.3 billion as of December 31, 2023, and further decreased to RMB19.8 billion as of December 31, 2024, primarily due to reduced prepayments and deposits in accordance with business needs.

Deferred Tax Assets

Our deferred tax assets increased from RMB9.5 billion as of December 31, 2022 to RMB17.4 billion as of December 31, 2023, and further increased to RMB24.1 billion as of December 31, 2024, primarily reflecting a temporary difference between the recognition of amortization and depreciation and the recognition of the corresponding tax losses.

Inventories

Our inventories primarily consisted of finished goods, work in progress, raw materials and costs to fulfil a contract. The following table sets forth details of our inventories as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	RMB'000		
Finished goods	59,504,149	33,609,112	38,994,567
Work in progress	15,716,914	10,080,744	11,788,174
Raw materials	5,196,430	5,055,901	11,427,292
Costs to fulfil a contract	1,317,956	1,271,307	3,684,683
	81,735,449	50,017,064	65,894,716
Less: provision for impairment	(5,066,550)	(4,583,174)	(6,059,183)
Total	76,668,899	45,433,890	59,835,533

Our inventories decreased from RMB76.7 billion as of December 31, 2022 to RMB45.4 billion as of December 31, 2023 despite increasing sales volumes, primarily because (i) we continued to strengthen inventory turnover and optimize inventory management, and (ii) the prices of certain raw materials declined. Our inventories increased from RMB45.4 billion as of December 31, 2023 to RMB59.8 billion as of December 31, 2024, primarily resulting from our higher production and sales volumes.

As of December 31, 2022, 2023 and 2024, our costs to fulfill a contract were RMB1.3 billion, RMB1.3 billion and RMB3.7 billion, respectively, which primarily related to sales of specialized equipment capacity, transportation costs, storage fees, and tariffs related to the shipment of goods.

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The following is an aging analysis of our inventories as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	<i>RMB'000</i>		
Within 1 year	81,514,230	48,277,010	63,791,866
Over 1 year	221,219	1,740,054	2,102,850
Total	81,735,449	50,017,064	65,894,716

The following table sets forth our inventory turnover days for the years indicated.

	For the year ended December 31,		
	2022	2023	2024
Inventory turnover days ⁽¹⁾	78.8	68.8	70.2

Note:

- (1) Inventory turnover days are calculated as the average of the beginning and ending balance of inventories for the year divided by the cost of sales for that year and multiplied by 365 days.

Our inventory turnover days were 78.8 days, 68.8 days and 70.2 days in 2022, 2023 and 2024, respectively. The decrease in our inventory turnover days from 2022 to 2023 was primarily because we strengthened inventory turnover and optimized inventory management. Our inventory turnover days remained stable in 2024 as compared to 2023.

As of March 31, 2025, we had utilized 84.3%, or RMB55.6 billion, of our inventories as of December 31, 2024.

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Trade and Bills Receivables

Our trade and bills receivables primarily consisted of outstanding amounts payable by third parties and related parties.

The following table sets forth details of our trade and bills receivables as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	<i>RMB'000</i>		
Trade receivables	59,797,036	66,065,457	66,776,402
Less: ECL allowance	(1,830,519)	(2,044,923)	(2,640,892)
Trade receivables, net	57,966,517	64,020,534	64,135,510
Bills receivables	3,526,084	1,751,724	130,403
Trade and bills receivables	<u>61,492,601</u>	<u>65,772,258</u>	<u>64,265,913</u>

Our trade and bills receivables increased from RMB61.5 billion as of December 31, 2022 to RMB65.8 billion as of December 31, 2023. Our trade and bills receivables amounted to RMB64.3 billion as of December 31, 2024.

The credit period granted to our customers was generally within 60 days during the Track Record Period. The following is an aging analysis of our trade receivables, based on the date of revenue recognition, net of ECL allowance, as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	<i>RMB'000</i>		
Within 3 months	53,359,623	59,991,749	59,868,001
Over 3 months but within 1 year	4,541,406	3,448,307	3,850,339
Over 1 year	65,488	580,478	417,170
Trade receivables, net	<u>57,966,517</u>	<u>64,020,534</u>	<u>64,135,510</u>

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The following table sets forth our trade and bills receivables turnover days for the years indicated.

	For the year ended December 31,		
	2022	2023	2024
Trade and bills receivables turnover days ⁽¹⁾	48.2	57.9	65.6

Note:

- (1) Calculated as the average of the beginning and ending balance of trade and bills receivables for the year divided by the revenue for that year and multiplied by 365 days.

Our trade and bills receivables turnover days were 48.2 days, 57.9 days and 65.6 days for the years ended December 31, 2022, 2023 and 2024. Our trade and bills receivables turnover days increased from 48.2 days in 2022 to 57.9 days in 2023, primarily because the increase in revenue from 2022 to 2023 was slower than the increase in the average of the beginning and ending balance of trade and bills receivables over the same period. Our trade and bills receivables turnover days further increased to 65.6 days in 2024, mainly due to the decrease in revenue from 2023 to 2024, while the average of the beginning and ending balance of trade and bills receivables increased over the same period.

As of March 31, 2025, RMB58.2 billion, or 87.2% of our trade receivables as of December 31, 2024 had been settled.

Bank Balances, Deposits and Cash

Our bank balances, deposits and cash consisted of cash and cash equivalents as well as time deposits and restricted funds.

As of December 31, 2022, 2023 and 2024, our bank balances, deposits and cash amounted to RMB190.1 billion, RMB261.7 billion and RMB298.2 billion, respectively.

Trade and Bills Payables

Our trade and bills payables primarily related to the purchase of raw materials and equipment.

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The following table sets forth details of our trade and bills payables as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	<i>RMB'000</i>		
Trade payables	65,518,044	90,310,810	112,120,161
Bills payables	126,229,468	77,514,941	67,356,323
Trade and bills payables	<u>191,747,512</u>	<u>167,825,751</u>	<u>179,476,484</u>

Our trade and bills payables decreased from RMB191.7 billion as of December 31, 2022 to RMB167.8 billion as of December 31, 2023, primarily attributable to the settlement of bills payables due and a decrease in the issuance of new bills, which was partially offset by an increase in trade payables. Our trade and bills payables amounted to RMB179.5 billion as of December 31, 2024, representing an increase from December 31, 2023, primarily due to an increase in trade payables, partially offset by a decrease in bills payables.

The credit period granted by our suppliers was generally within 90 days during the Track Record Period. As of the end of each year of the Track Record Period, there were no significant trade payables aged over one year based on invoice date. As of the end of each year during the Track Record Period, no matured bills payable were unpaid.

As of March 31, 2025, RMB46.9 billion, or 41.9% of our trade payables as of December 31, 2024 had been settled.

Contract Liabilities

Our contract liabilities refer to the obligation to transfer goods to customers in consideration of payments received or receivable from customers, primarily representing prepayments from customers. Contract liabilities are incurred when the payment schedule agreed under the contract is ahead of the performance of contract obligations. Our contract liabilities remained stable at RMB29.4 billion, RMB30.1 billion and RMB33.2 billion as of December 31, 2022, 2023 and 2024, respectively.

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Other Payables and Accruals

Our other payables and accruals mainly include deferred income, construction and equipment payables and employee benefits payables. The following table sets forth details of our other payables and accruals as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	<i>RMB'000</i>		
Non-current			
Deferred income	19,966,702	21,448,987	22,041,069
Premium payables on acquiring			
mining right	–	170,256	156,480
Redemption liability	–	25,247,626	–
	<u>19,966,702</u>	<u>46,866,869</u>	<u>22,197,549</u>
Current			
Construction and equipment payables . .	29,016,932	26,727,963	18,857,247
Employee benefits payables	9,476,018	14,846,251	18,653,079
Deposits received	8,055,298	8,763,865	4,478,969
Other tax liabilities	2,197,550	3,712,029	3,447,398
Accrued expenses	3,077,310	3,258,954	4,541,876
Dividend payables	8,320	29,916	5,400,161
Premium payables on acquiring mining			
right	–	23,740	21,582
Others	3,873,145	1,601,269	1,740,918
	<u>55,704,573</u>	<u>58,963,987</u>	<u>57,141,230</u>
Total	<u>75,671,275</u>	<u>105,830,856</u>	<u>79,338,779</u>

The non-current portion of our other payables and accruals increased from RMB20.0 billion as of December 31, 2022 to RMB46.9 billion as of December 31, 2023, then decreased to RMB22.2 billion as of December 31, 2024. This fluctuation was primarily because we recorded redemption liability of RMB25.2 billion as of December 31, 2023 due to minority shareholders of our subsidiaries holding put-back rights pursuant to the relevant agreements.

The current portion of our other payables and accruals remained stable at RMB55.7 billion, RMB59.0 billion and RMB57.1 billion as of December 31, 2022, 2023 and 2024, respectively.

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Derivative Financial Instruments

Our derivative financial instruments mainly include commodity price risk contracts and foreign exchange risk contracts, primarily using options, futures and forward contracts as trading instruments. Our main products, EV batteries and ESS batteries, require raw materials such as nickel, lithium, aluminum, copper, and cobalt in production operations. We conduct commodity hedging activities to effectively manage the risks of significant price fluctuations of such raw materials and enhance the stability and sustainability of our operating performance. In addition, as our overseas business continues to expand, the demand for settlement in foreign currencies continues to increase. To better reduce and prevent exchange rate or interest rate risks relating to overseas businesses and to enhance our financial stability, we engage in foreign exchange hedging activities accordingly. During the Track Record Period, our commodity price risk contracts and foreign exchange risk contracts, after offsetting spot gains and losses, generally achieved the expected risk management objectives.

We have established a sound management system for our hedging activities and a comprehensive internal control policy. Our management system clearly stipulate the approval authority, organizational structure and responsibilities, authorization management, execution processes and risk control procedures for hedging activities. To further strengthen our management of hedging of futures, forward contracts and other derivative products, enhance and optimize the operational procedures of offshore futures, forward contracts and other derivative products, and ensure the achievement of our production and operational objectives, we have set up a leading group, a working group and a risk control group. We are supported by professionals in investment decision-making, business operation and risk control, with well-defined duties and responsibilities.

As of December 31, 2022, 2023 and 2024, our derivative financial instruments recorded as current assets amounted to RMB0.6 billion, nil and nil, respectively. As of the same dates, our derivative financial instruments recorded as current liabilities amounted to nil, RMB3.9 billion and RMB2.1 billion, respectively.

Provisions

Our provisions primarily consisted of after-sale service fees and sale rebates. We undertake the maintenance obligation of the battery products sold within the warranty period. Our provisions increased from RMB19.7 billion as of December 31, 2022 to RMB51.6 billion as of December 31, 2023, and further increased to RMB71.9 billion as of December 31, 2024 mainly due to an increase in potential after-sales service obligations and sale rebates resulting from higher sales volume. Our provision for after-sale service fee is best estimated based on the cumulative sales volume of battery products within warranty period, estimated unit maintenance costs, expected maintenance rates, and other factors. During the Track Record Period, due to our expanded sales, the total anticipated after-sales service fees under warranty agreements increased. Taking into consideration factors including market conditions and sales volume, and after negotiating with customers, we enter into sales rebates agreements with selected customers and make corresponding provisions for sales rebates. Our policies of

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making provisions for sales rebates are consistent with market practices. During the Track Record Period, our provisions for sales rebates increased, primarily due to the increased sales rebates provided to customers, which were adjusted after negotiating with customers from time to time and taking into consideration various factors including the growth of sales volume, deepened cooperation with customers, establishment of long-term strategic relationships and market development.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash during the Track Record Period were to fund the construction of our manufacturing bases, product research and development, among other working capital needs. Historically, we have financed our operations and other capital requirements primarily through cash generated from our business operations, bank borrowings, debt financing and equity financing.

Our anticipated cash needs primarily relate to our business operations, expansion of production capacity, and product research and development. We expect to fund our future working capital and other cash requirements primarily with cash generated from our operations, bank borrowings and other financing activities (including the net proceeds from the Global Offering).

As of March 31, 2025, the latest practicable date for determining our indebtedness, we had cash and cash equivalent of RMB286.3 billion. As of the same date, we had unutilized banking facilities of RMB329.5 billion. Taking into account our internal resources, our cash flow from operating activities and the estimated net proceeds from the Global Offering, our Directors believe that the working capital available to us is sufficient at present and for at least the next 12 months from the date of this prospectus.

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Net Current Assets

The following table sets forth a summary of our current assets and liabilities as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	March 31, 2025
	<i>RMB'000</i>			<i>(Unaudited)</i>
Current assets				
Inventories	76,668,899	45,433,890	59,835,533	65,639,666
Trade and bills receivables . .	61,492,601	65,772,258	64,265,913	60,350,906
Contract assets	174,863	233,964	400,626	261,473
Prepayments, deposits and other assets	37,735,999	21,339,971	19,804,706	23,478,787
Financial assets at FVTPL . . .	1,981,328	7,767	14,282,253	21,421,660
Financial assets at FVTOCI . .	18,965,715	55,289,319	53,309,701	43,910,963
Derivative financial instruments	575,638	—	—	—
Bank balances, deposits and cash	190,139,815	261,710,833	298,243,356	315,235,089
Total current assets	387,734,858	449,788,002	510,142,088	530,298,544
Current liabilities				
Trade and bills payables	191,747,512	167,825,751	179,476,484	191,098,136
Contract liabilities	22,444,785	23,982,352	27,834,446	37,088,532
Other payables and accruals . .	55,704,573	58,963,987	57,141,230	51,745,115
Borrowings	21,534,521	22,059,847	42,373,738	38,588,316
Lease liabilities	113,106	106,299	182,379	183,934
Derivative financial instruments	—	3,941,410	2,116,017	899,889
Income tax payable	4,216,924	10,121,425	8,047,240	8,604,831
Total current liabilities	295,761,421	287,001,071	317,171,534	328,208,753
Net current assets	91,973,437	162,786,931	192,970,554	202,089,791

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We had net current assets of RMB92.0 billion, RMB162.8 billion, RMB193.0 billion and RMB202.1 billion as of December 31, 2022, 2023 and 2024, and March 31, 2025, respectively.

Our net current assets increased from RMB92.0 billion as of December 31, 2022 to RMB162.8 billion as of December 31, 2023, primarily attributable to an increase in current assets as a result of: (i) an increase of RMB71.6 billion in bank balances, deposits and cash, and (ii) an increase of RMB36.3 billion in financial assets at FVTOCI; this increase was partially offset by a decrease of RMB31.2 billion in inventories, as well as a decrease in current liabilities primarily as a result of a decrease of RMB23.9 billion in trade and bills payables.

Our net current assets increased from RMB162.8 billion as of December 31, 2023 to RMB193.0 billion as of December 31, 2024, primarily attributable to an increase in current assets, mainly including: (i) an increase of RMB36.5 billion in bank balances, deposits and cash, (ii) an increase of RMB14.4 billion in inventories, and (iii) an increase of RMB14.3 billion in financial assets at FVTPL; this increase was partially offset by an increase in current liabilities, primarily due to (i) an increase of RMB20.3 billion in borrowings, and (ii) an increase of RMB11.7 billion in trade and bills payables.

Our net current assets increased from RMB193.0 billion as of December 31, 2024 to RMB202.1 billion as of March 31, 2025, primarily attributable to an increase in current assets, mainly including: (i) an increase of RMB17.0 billion in bank balances, deposits and cash, and (ii) an increase of RMB7.1 billion in financial assets at FVTPL; this increase was partially offset by an increase in current liabilities, primarily due to (i) an increase of RMB11.6 billion in trade and bills payables, and (ii) an increase of RMB9.3 billion in contract liabilities.

Summary of Consolidated Statements of Cash Flow

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

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

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Operating Activities

Net cash generated from operating activities in 2024 was RMB97.0 billion, primarily due to proceeds from sales of goods of RMB417.5 billion, partially offset by (i) cash paid for material and services of RMB285.5 billion, (ii) income tax and other taxes paid of RMB28.5 billion, and (iii) cash paid for salaries of RMB25.5 billion.

Net cash generated from operating activities in 2023 was RMB92.8 billion, primarily due to proceeds from sales of goods of RMB417.9 billion, partially offset by (i) cash paid for material and services of RMB310.5 billion, and (ii) cash paid for salaries of RMB21.1 billion.

Net cash generated from operating activities in 2022 was RMB61.2 billion, primarily due to proceeds from sales of goods of RMB305.8 billion, partially offset by (i) cash paid for material and services of RMB235.3 billion, and (ii) cash paid for salaries of RMB18.2 billion.

Investing Activities

Net cash used in investing activities in 2024 was RMB48.9 billion, primarily attributable to (i) net payments for purchase of property, plant and equipment, intangible assets and prepaid lease payments (total payments for purchase of property, plant and equipment, intangible assets and prepaid lease payments minus proceeds from disposal of these assets) of RMB31.1 billion, and (ii) net payments for investments in associates and joint ventures and financial assets at fair value (total investments in associates and joint ventures and financial assets at fair value minus proceeds from disposal of these assets) of RMB20.1 billion.

Net cash used in investing activities in 2023 was RMB29.2 billion, primarily due to net payments for purchase of property, plant and equipment, intangible assets and prepaid lease payments (total payments for purchase of property, plant and equipment, intangible assets and prepaid lease payments minus proceeds from disposal of these assets) of RMB33.6 billion, partially offset by net proceeds from disposal of associates and joint ventures and financial assets (total proceeds from disposal of associates and joint ventures and financial assets minus payment for investments in these assets) of RMB2.0 billion.

Net cash used in investing activities in 2022 was RMB64.1 billion, primarily due to (i) net payments for purchase of property, plant and equipment, intangible assets and prepaid lease payments (total payments for purchase of property, plant and equipment, intangible assets and prepaid lease payments minus proceeds from disposal of these assets) of RMB48.2 billion, and (ii) net payments for investments in associates and joint ventures and financial assets at fair value (total payments for investments in associates and joint ventures and financial assets at fair value minus proceeds from disposal of these assets) of RMB11.5 billion.

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Financing Activities

Net cash used in financing activities in 2024 was RMB14.5 billion, primarily due to (i) dividends paid to owners of our Company of RMB22.1 billion, and (ii) repayment of borrowings of RMB20.0 billion, partially offset by proceeds from borrowings of RMB30.6 billion.

Net cash generated from financing activities in 2023 was RMB14.7 billion, primarily due to proceeds from borrowings of RMB46.6 billion, partially offset by (i) repayment of borrowings of RMB23.8 billion, and (ii) dividends paid to owners of our Company of RMB6.1 billion.

Net cash generated from financing activities in 2022 was RMB82.3 billion, primarily due (i) proceeds from borrowings of RMB56.0 billion, and (ii) proceeds from private placement and restricted share plan of RMB45.4 billion, partially offset by repayment of borrowings of RMB17.6 billion.

INDEBTEDNESS

As of December 31, 2022, 2023 and 2024 and March 31, 2025, except as disclosed in the table below, we did not have any material indebtedness.

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	RMB'000			(Unaudited)
Current				
Borrowings	21,534,521	22,059,847	42,373,738	38,588,316
Lease liabilities	113,106	106,299	182,379	183,934
	21,647,627	22,166,146	42,556,117	38,772,250
Non-current				
Borrowings	79,327,247	104,035,996	94,611,079	98,240,364
Lease liabilities	572,350	283,296	662,814	571,789
	79,899,597	104,319,292	95,273,893	98,812,153
Total	101,547,224	126,485,438	137,830,010	137,584,403

Borrowings

During the Track Record Period, our borrowings mainly included bank borrowings and corporate bonds. As of December 31, 2022, 2023 and 2024, we had total borrowings of RMB100.9 billion, RMB126.1 billion and RMB137.0 billion, respectively.

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During the Track Record Period, our borrowings were obtained from commercial banks and financial institutions, with the effective interest rates ranging from 0.65% to 6.33% per annum. Our bank borrowings agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. In addition, we have the contractual obligation to repurchase certain equity interest in entities controlled by us and third parties according to the investment agreements and partnership agreements. For details, see Note 32 to the Accountants' Report as set out in Appendix I of this prospectus.

As of March 31, 2025, we had total borrowings of RMB136.8 billion. The majority of our bank borrowings were unsecured as of the same date.

During the Track Record Period, our corporate bonds were listed and/or issued on the Shenzhen Stock Exchange, the Hong Kong Stock Exchange and the China Interbank Bond Market. Our corporate bonds amounted to RMB22.3 billion, RMB19.4 billion, RMB19.4 billion and RMB19.4 billion as of December 31, 2022, 2023 and 2024 and March 31, 2025, respectively.

Lease Liabilities

During the Track Record Period, our lease liabilities were primarily in relation to our lease of land use rights and buildings used in its operations. We recorded lease liabilities in aggregate of RMB0.7 billion, RMB0.4 billion, RMB0.8 billion and RMB0.8 billion as of December 31, 2022, 2023 and 2024 and March 31, 2025, respectively.

Contingent Liabilities

As of March 31, 2025, we did not have any material contingent liabilities.

During the Track Record Period and up to the Latest Practicable Date, save as disclosed above, we did not have any bank and other loans, or any issued and outstanding or agreed to be issued loan capital, bank overdrafts, borrowings or similar indebtedness, liabilities under acceptances (other than ordinary trade bills), acceptance credits, debentures, mortgages, charges, hire purchase commitments or finance lease commitments, guarantees or other material contingent liabilities.

There had not been any material change in our indebtedness since March 31, 2025 and up to the Latest Practicable Date.

In addition, during the Track Record Period and up to the Latest Practicable Date, we did not have any material defaults or breaches of covenants in repayment of indebtedness.

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CAPITAL EXPENDITURE

The details of our capital expenditure during the Track Record Period are summarized as follows.

	For the year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>		
Construction in progress	65,758,746	43,300,590	29,713,936
Machinery	217,754	436,435	484,521
Properties and buildings	12,895	130,422	200,072
Exterior facilities and others	326,769	261,893	694,305
Special equipment	2,327	129,430	246,351
Electronic equipment	21,461	47,307	35,288
Transportation equipment	33,653	18,472	33,391
Other equipment	13,006	13,904	6,495
Total	66,386,611	44,338,453	31,414,359

CAPITAL COMMITMENTS

Our capital commitments at the end of each year during the Track Record Period primarily represented contracted but unprovided commitments for property, plant and equipment, and subscribed capital contribution of associated companies. As of December 31, 2022, 2023 and 2024, our capital commitments amounted to RMB51.5 billion, RMB9.9 billion and RMB11.3 billion, respectively.

RELATED PARTY TRANSACTIONS

For details of our related party transactions during the Track Record Period, see Note 43 to the Accountants' Report as set out in Appendix I to this prospectus.

We enter into transactions with our related parties from time to time. Our Directors are of the view that each of the related party transactions in Note 43 to the Accountants' Report as set out in Appendix I to this prospectus was conducted in the ordinary course of business on an arm's length basis and on normal commercial terms between the relevant parties. Our Directors are of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

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KEY FINANCIAL RATIOS

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

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

Notes:

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

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any material off-balance sheet commitments and arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to various market risks, including foreign currency risk, price risk, interest rate risk, credit risk and liquidity risk as set out below. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. For more details, including relevant sensitivity analysis, see Note 46 to the Accountants' Report as set out in Appendix I of this prospectus.

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Foreign Currency Risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

We are exposed to currency risks primarily through sales and purchases which give rise to receivables, payables, interest-bearing borrowings and bank balances that are denominated in a foreign currency, i.e., a currency other than the functional currency of the entities to which the transactions relate. The foreign currencies giving rise to this risk are primarily USD and EUR.

Foreign currency risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of our subsidiaries. To ensure our currency risk exposure is kept to an acceptable level and aiming to minimize the gap between assets and liabilities in the same currency, foreign exchange contracts (i.e., forward foreign exchange contracts) are usually used to manage foreign currency risk associated with foreign currency-denominated assets and liabilities.

Price Risk

Commodity Price Risk

We are exposed to commodity price risk mainly arising from lithium, nickel and cobalt, whose price fluctuations could affect our results of operations.

To address material price fluctuations and supply risks, we optimize our supply chain through measures such as self-operated mining and production of raw materials, investment partnerships, and signing long-term procurement agreements. We have included price adjustment mechanisms in our framework sales agreement or supplementary agreements, giving us flexibility to adjust the pricing of our products. In addition, we use derivative financial instruments (including commodity price risk contracts) to manage a portion of the associated risks.

See “Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Derivative Financial Instruments” for a detailed description of our commodity hedging activities.

Equity Price Risk

We are exposed to equity price risk mainly arising from investments in listed equity held by us that are classified as financial assets at FVTPL or FVTOCI which will not be sold within one year. For more details, including relevant sensitivity analysis, see Note 46 to the Accountants’ Report as set out in Appendix I of this prospectus.

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Interest Rate Risk

Our interest rate risk primarily arises from long-term interest-bearing borrowings, corporate bonds and lease liabilities. Long-term borrowings issued at variable rates expose us to cash flow interest rate risk. Long-term borrowings issued at fix rates, bond payables and lease liabilities bearing fixed rates expose us to fair value interest rate risk.

We have been monitoring the level of interest rates. The increase in the interest rates will increase the interest costs of borrowings at variable rates, which will further impact our performance. To hedge against the variability in the cash flows arising from a change in market interest rates, we may enter into certain interest rate swap contracts to swap variable rates into fixed rates.

Credit Risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to us. Our exposure to credit risk mainly arises from granting credit to customers in the ordinary course of our operations and from our investing activities.

Our maximum exposure to credit risk is represented by the carrying amount of each financial asset measured at amortised cost and trade and bills receivables measured at FVTOCI as disclosed in Note 44 to the Accountants' Report as set out in Appendix I to this prospectus.

Liquidity Risk

We aim to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, we maintain flexibility in funding by maintaining adequate balances of such.

DIVIDENDS

During the Track Record Period, we declared cash dividends to our Shareholders as follows.

	For the year ended December 31,		
	2022	2023	2024
	RMB'000		
Dividends attributable to the year			
Interim dividend	1,593,064	—	—
Final and special dividend	—	6,154,689	27,458,131

As of the date of this prospectus, we have paid these dividends in full.

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After the completion of the Global Offering, we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. In principle, we prioritize cash dividends as the profit distribution method if the conditions for cash dividends are met. When we have major investment plans or significant cash expenditures, we may distribute dividends in the form of share equity. A decision to declare or to pay dividends in the future and the amount of dividends will be at the discretion of our Board and will depend on a number of factors, including our results of operations, cash flows, financial condition, payments by our subsidiaries of cash dividends to us, business prospects, statutory and regulatory restrictions on our declaration and payment of dividends and other factors that our Board may consider important. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. Our Shareholders may approve any declaration of dividends.

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

DISTRIBUTABLE RESERVES

As of December 31, 2024, we had approximately RMB128.5 billion of retained profits available for distribution to our Shareholders.

LISTING EXPENSES

Listing expenses to be borne by us are estimated to be approximately HK\$288.3 million (based on an Offer Price of HK\$263.00 per Share), representing approximately 0.93% of the estimated gross proceeds from the Global Offering assuming the Offer Size Adjustment Option is not exercised and no Shares are issued pursuant to the Over-allotment Option. The listing expenses consist of (i) underwriting-related expenses, including underwriting commission, of approximately HK\$238.7 million, and (ii) non-underwriting-related expenses of approximately HK\$49.6 million, comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK\$24.4 million, and (b) other fees and expenses of approximately HK\$25.2 million. During the Track Record Period, we did not incur any listing expenses. Subsequent to the Track Record Period, approximately HK\$11.1 million is expected to be charged to our consolidated statements of profit or loss, and approximately HK\$277.2 million is expected to be accounted for as a deduction from equity upon the Listing. We do not believe any of the above fees or expenses are material or are unusually high for our Group. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

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UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of our Group prepared in accordance with Rule 4.29 of the Listing Rules is to illustrate the effect of the Global Offering on the net tangible assets of our Group attributable to owners of the Company as of December 31, 2024 as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of our Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not provide a true picture of the net tangible assets of our Group attributable to owners of our Company had the Global Offering been completed as of December 31, 2024 or at any future date. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or open transactions of our Group entered into subsequent to December 31, 2024.

	Audited consolidated net tangible assets attributable to owners of our Company as of December 31, 2024	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of our Company as of December 31, 2024	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of our Company per Share as of December 31, 2024	
	<i>RMB'000</i> <i>(Note 1)</i>	<i>RMB'000</i> <i>(Note 2)</i>	<i>RMB'000</i>	<i>RMB</i> <i>(Note 3)</i>	<i>HK\$</i> <i>(Note 5)</i>
Based on an Offer					
Price of HK\$263.00					
per Share.	242,288,390	28,534,185	270,822,575	60.11	64.71

Note:

- (1) The audited consolidated net tangible assets attributable to owners of the Company as of December 31, 2024 is extracted from the Accountants' Report set out in Appendix I to this prospectus, which is based on the consolidated net tangible assets attributable to owners of the Company as of December 31, 2024 of approximately RMB246,930,032,000 after deducting the Group's goodwill and intangible assets attributable to owners of the Company of approximately RMB667,687,000 and RMB3,973,955,000 respectively as of December 31, 2024.
- (2) The estimated net proceeds from the Global Offering are based on 117,894,500 Offer Shares at an Offer Price of HK\$263.00 per H Share, after deduction of the estimated underwriting fees and other related expenses expected to be incurred by the Group subsequent to December 31, 2024 and takes no account of any Shares which may be allotted and issued by the Company upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option, any Shares which may be issued by the Company upon the exercise of any options may be granted under the Share Incentive Plans or any Shares which may be issued or repurchased by the Company.

FINANCIAL INFORMATION

- (3) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 4,505,297,887 Shares (representing 4,403,466,458 Shares in issue as of December 31, 2024, excluding 16,063,071 treasury shares as of December 31, 2024, adding 117,894,500 Offer Shares) were in issue, assuming that the Global Offering had been completed on December 31, 2024 but does not take into account of any Shares which may be allotted and issued by the Company upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option, any Shares which may be issued by the Company upon the exercise of any options may be granted under the Share Incentive Plans or any Shares which may be issued or repurchased by the Company.
- (4) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as of December 31, 2024 to reflect any trading results or other transactions of our Group entered into subsequent to December 31, 2024. In particular, the unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company has not taken into account payment of dividend of RMB19,975,848,000 which was approved by the Shareholders on April 8, 2025. The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share would have been HK\$59.94 per Share if the dividend declaration had been accounted for as at December 31, 2024.
- (5) For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets, the translation of Renminbi amounts into Hong Kong dollars has been made at a rate of RMB0.92891 to HK\$1.00. No representation is made that Renminbi amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

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

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

For a description of our unaudited financial information for the three months ended March 31, 2025, please refer to "Summary — Recent Development and No Material Adverse Change — Recent Development — Unaudited Financial Information for the Three Months Ended March 31, 2025."

Dividend Distribution for 2024

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

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, they were not aware of any circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**”, and together the “**Cornerstone Investment Agreements**”) with the cornerstone investors set out below (each a “**Cornerstone Investor**”, and together the “**Cornerstone Investors**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) that may be purchased for an aggregate amount of approximately US\$2,627.96 million (or approximately HK\$20,370.77 million, calculated based on an exchange rate of US\$1.00 to HK\$7.75156) and exclusive of brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee) (the “**Cornerstone Placing**”).

Based on the Offer Price of HK\$263.00 per H Share, being the maximum Offer Price, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 77,455,400 H Shares. The table below reflects the shareholding immediately after the Global Offering assuming there is no other change made to the issued share capital of our Company between the Latest Practicable Date and the Listing.

Assuming the Offer Size Adjustment Option is not exercised				Assuming the Offer Size Adjustment Option is exercised in full			
Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Approximate % of the Offer Shares	Approximate % of the total issued share capital ⁽¹⁾	Approximate % of the Offer Shares	Approximate % of the total issued share capital ⁽¹⁾	Approximate % of the Offer Shares	Approximate % of the total issued share capital ⁽¹⁾	Approximate % of the Offer Shares	Approximate % of the total issued share capital ⁽¹⁾
65.70	1.71	57.13	1.71	57.13	1.71	49.68	1.70

Note:

- (1) Assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date (or the date of exercise of Over-allotment Option (where applicable)).

We believe that the Cornerstone Placing signifies our Cornerstone Investors’ confidence in our Company and its business prospect, and that the Cornerstone Placing will help to raise the profile of our Company. We became acquainted with each of the Cornerstone Investors in its ordinary course of operation through our Group’s business network, or through introduction by our Company’s business partners or the Overall Coordinators of the Global Offering.

The Cornerstone Placing will form part of the International Offering, and save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors (and for PSBC Wealth and LUOYANG Sci-Tech Inv., who will subscribe for our Offer Shares through qualified domestic institutional investors (“**QDII(s)**”), the QDIIs), and their respective close

CORNERSTONE INVESTORS

associates will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors (and for PSBC Wealth and LUOYANG Sci-Tech Inv., who will subscribe for our Offer Shares through QDIIs, the QDIIs) will rank *pari passu* in all respects with the fully paid H Shares in issue following the Global Offering of the Company and will be counted towards the public float of our Company under Rule 8.08 of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors or their close associates will not, by virtue of their cornerstone investments, have any Board representation in our Company; and none of the Cornerstone Investors and their close associates will become a substantial Shareholder of our Company. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights under each of their respective Cornerstone Investment Agreements, as compared with other public Shareholders. There are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Listing Guide.

Among the Cornerstone Investors, KIA, HHLR CF, L.P., Abstract Enigma Limited, RBC Global Asset Management (Asia) Limited, Taikang Life, CPIC Investors, Mirae Investors, WT, Perseverance, Shanghai Gaoyi, HK Greenwoods, Shanghai Greenwoods and UBS AM Singapore are either existing minority Shareholders or their respective close associates. The Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 5(2) of the Appendix F1 to the Listing Rules and paragraph 17 of Chapter 4.15 of the Listing Guide to permit H Shares in the International Offering to be placed to certain existing minority Shareholders and/or their close associates. For further details, see “Waivers and Exemptions — Waiver from Strict Compliance with Rule 10.04 of and Consent Under Paragraph 5(2) of Appendix F1 to the Listing Rules and Paragraph 17 of Chapter 4.15 of the Guide in Respect of Subscriptions of Offer Shares by Close Associates of Existing Shareholder.”

Save as otherwise disclosed, to the best knowledge of our Company, (i) other than the cornerstone investors who are either existing minority Shareholders or their respective close associates, each of the Cornerstone Investors (and for PSBC Wealth and LUOYANG Sci-Tech Inv., who will subscribe for our Offer Shares through QDIIs, the QDIIs) is an Independent Third Party; (ii) other than the cornerstone investors who are either existing minority Shareholders or their respective close associates, none of the Cornerstone Investors (and for PSBC Wealth and LUOYANG Sci-Tech Inv., who will subscribe for our Offer Shares through QDIIs, the QDIIs) is accustomed to taking instructions from our Company, the Directors, the Supervisors, chief executive, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) other than the cornerstone investors who are either existing minority Shareholders or their respective close associates, none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors (or for PSBC Wealth and LUOYANG Sci-Tech Inv., who will subscribe for our Offer Shares

CORNERSTONE INVESTORS

through QDIIs, the QDIIs) is financed by our Company, the Directors, the Supervisors, chief executive, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates, each Cornerstone Investor will be utilizing its internal financial resources, financial resources of its shareholders or (in the case of Cornerstone Investors which are funds or investment managers) the assets managed for its investors as its source of funding for the subscription of the Offer Shares, and each Cornerstone Investor has sufficient funds to settle its respective investment under the Cornerstone Placing; and (v) each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant Cornerstone Placing. In addition, to the best knowledge of our Company, save as otherwise disclosed, each of the Cornerstone Investors is independent from each other and makes independent investment decisions.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's H Shares commence on the Stock Exchange. Some of the Cornerstone Investors have agreed that, our Company, the Joint Sponsors and the Overall Coordinators may in their sole discretion defer the delivery of all or part of the Offer Shares it will subscribe to on a date later than the Listing Date. Such delayed delivery arrangement is in place to facilitate the over-allocation in the International Offering. There will be no delayed delivery if there is no over-allocation in the International Offering. Where delayed delivery takes place, (i) there would be delayed delivery of Offer Shares to some of the Cornerstone Investors based on commercial negotiations with the Cornerstone Investors, (ii) the delayed delivery date should be no later than three business days following the last day on which the Over-allotment Option may be exercised, (iii) no extra payment will be made to the relevant Cornerstone Investors for the purpose of the delayed delivery arrangement, and (iv) each of the Cornerstone Investors has agreed that it shall nevertheless pay for the relevant Offer Shares in full before the Listing. As such, there will not be any deferred settlement in payment by the Cornerstone Investors.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around Monday, May 19, 2025.

To the best knowledge of the Company and the Overall Coordinators, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. The Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 5(2) of the Appendix F1 to the Listing Rules and paragraph 17 of Chapter 4.15 of the Listing Guide to permit H Shares in the International Offering to certain cornerstone investors who will subscribe for further Offer Shares as placees in the International Offering. For further details, see "Waivers and Exemptions – Waiver from Strict Compliance with Rule 10.04 of and Consent Under Paragraph 5(2) of Appendix F1 to the Listing Rules and Paragraph 17 of Chapter 4.15 of the Guide in Respect of Subscriptions of Offer Shares by Existing Shareholder and/or its Close Associates."

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Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering are uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

OUR CORNERSTONE INVESTORS

The table below sets forth details of the Cornerstone Placing, assuming an Offer Price of HK\$263.00, being the maximum Offer Price:

Cornerstone Investor	Investment amount ⁽¹⁾	Number of Offer Shares ⁽²⁾	Assuming the Offer Size Adjustment Option is not exercised				Assuming the Offer Size Adjustment Option is exercised in full			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
			Approximate % of the Offer Shares	Approximate % of the issued share capital ⁽³⁾	Approximate % of the Offer Shares	Approximate % of the issued share capital ⁽³⁾	Approximate % of the Offer Shares	Approximate % of the issued share capital ⁽³⁾	Approximate % of the Offer Shares	Approximate % of the issued share capital ⁽³⁾
	(US\$ in millions)									
Sinopec HK	500	14,736,800	12.50	0.33	10.87	0.32	10.87	0.32	9.45	0.32
KIA	500	14,736,800	12.50	0.33	10.87	0.32	10.87	0.32	9.45	0.32
HHLR CF, L.P.	200	5,894,700	5.00	0.13	4.35	0.13	4.35	0.13	3.78	0.13
Shanghai Gaoyi and CICC Financial Trading Limited (in connection with Gaoyi OTC Swaps)	120	3,536,800	3.00	0.08	2.61	0.08	2.61	0.08	2.27	0.08
Perseverance Asset Management	80	2,357,800	2.00	0.05	1.74	0.05	1.74	0.05	1.51	0.05
Zenith Hop	110	3,242,000	2.75	0.07	2.39	0.07	2.39	0.07	2.08	0.07
Abstract Enigma Limited	100	2,947,300	2.50	0.07	2.17	0.06	2.17	0.06	1.89	0.06
Shanghai Greenwoods and CICC Financial Trading Limited (in connection with Greenwoods OTC Swaps)	50	1,473,600	1.25	0.03	1.09	0.03	1.09	0.03	0.95	0.03
HK Greenwoods	50	1,473,600	1.25	0.03	1.09	0.03	1.09	0.03	0.95	0.03
Pinpoint	100	2,947,300	2.50	0.07	2.17	0.06	2.17	0.06	1.89	0.06
UBS AM Singapore	100	2,947,300	2.50	0.07	2.17	0.06	2.17	0.06	1.89	0.06
WT	100	2,947,300	2.50	0.07	2.17	0.06	2.17	0.06	1.89	0.06
CPE Investment	80	2,357,800	2.00	0.05	1.74	0.05	1.74	0.05	1.51	0.05
Oaktree	75	2,210,500	1.87	0.05	1.63	0.05	1.63	0.05	1.42	0.05
MX Bright	70	2,063,100	1.75	0.05	1.52	0.05	1.52	0.05	1.32	0.05
Mirae Investors.	60	1,768,400	1.50	0.04	1.30	0.04	1.30	0.04	1.13	0.04
RBC Global Asset Management (Asia) Limited	53	1,562,100	1.32	0.03	1.15	0.03	1.15	0.03	1.00	0.03
CPIC Investors	50	1,473,600	1.25	0.03	1.09	0.03	1.09	0.03	0.95	0.03
LMR Master Fund	50	1,473,600	1.25	0.03	1.09	0.03	1.09	0.03	0.95	0.03
LUOYANG Sci-Tech Inv.	50	1,473,600	1.25	0.03	1.09	0.03	1.09	0.03	0.95	0.03
PSBC Wealth	50	1,473,600	1.25	0.03	1.09	0.03	1.09	0.03	0.95	0.03
Taikang Life.	50	1,473,600	1.25	0.03	1.09	0.03	1.09	0.03	0.95	0.03
Lingotto	30	884,200	0.75	0.02	0.65	0.02	0.65	0.02	0.57	0.02

CORNERSTONE INVESTORS

Notes:

- (1) Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy, and to be converted to Hong Kong dollars based on the exchange rate as disclosed in this prospectus.
- (2) Rounded down to the nearest whole board lot of 100 H Shares.
- (3) Assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the date of exercise of Over-allotment Option.

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing

Sinopec HK

Sinopec (Hong Kong) Limited (“**Sinopec HK**”) is a company incorporated in Hong Kong in 1989. It is principally engaged in the operation of petrol and gas stations, provision of aviation fuel refueling services at airports, supply of liquid petroleum gas (LPG), wholesale and direct sales of gasoline, diesel and fuel oil, international trading of refined oil products, sales and provision of services of Easy Joy convenience store products, cross-border e-commerce and other related businesses. Sinopec HK is a leading energy supplier in Hong Kong and a renowned oil products trader and service provider in the Asia-Pacific region.

Sinopec HK is a wholly-owned subsidiary of Sinopec Marketing Company Limited, and its ultimate beneficial owner is China Petrochemical Corporation (“**Sinopec Group**”). Established in 1983 and headquartered in Beijing, Sinopec Group is an ultra-large-scale integrated energy and petrochemical company with upstream, mid-stream and downstream operations, involving in production, supply and sales in both domestic market and overseas export. Sinopec Group is the largest supplier of refined oil and petrochemical products in China. It is the world’s largest refining company and second largest chemical company. It ranks the second globally in terms of the number of gas stations. It has been among the top on Fortune’s Global 500 List in recent years.

KIA

Kuwait Investment Authority (“**KIA**”) is the State-owned sovereign wealth fund of the State of Kuwait, managing the state’s General Reserve Fund and the state’s Future Generations Fund. The KIA invests across asset classes and markets around the globe and is the world’s first sovereign wealth fund.

HHLR CF, L.P.

HHLR CF, L.P. is a limited partnership formed under the laws of the Cayman Islands and is managed by HHLR Advisors, Ltd. (“**HHLRA**”), which is part of the Hillhouse Group. There is no individual limited partner investor who holds an economic interest of 30% or more in HHLR CF, L.P.

HHLRA collaborates with industry-defining enterprises, aiming to establish alignment with sustainable, forward-thinking companies across industrial, consumer, healthcare and business services sectors. HHLRA manages capital for global institutions, including non-profit foundations, endowments, and pensions.

Shanghai Gaoyi and CICC Financial Trading Limited (in connection with Gaoyi OTC Swaps)

CICC Financial Trading Limited (“**CICC FT**”) and China International Capital Corporation Limited (“**CICCL**”) will enter into a series of cross border delta-one OTC swap transactions (collectively, the “**Gaoyi OTC Swaps**”) with each other and the ultimate clients (the “**CICC FT Ultimate Clients (Gaoyi)**”), pursuant to which CICC FT will hold the Offer Shares on a non-discretionary basis to hedge the Gaoyi OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the CICC FT Ultimate Clients (Gaoyi), subject to customary fees and commissions. The Gaoyi OTC Swaps will be fully funded by the CICC FT Ultimate Clients (Gaoyi). During the terms of the Gaoyi OTC Swaps, all economic returns of the Offer Shares subscribed by CICC FT will be passed to the CICC FT Ultimate Clients (Gaoyi) and all economic loss shall be borne by the CICC FT Ultimate Clients (Gaoyi) through the Gaoyi OTC Swaps, and CICC FT will not take part in any economic return or bear any economic loss in relation to the Offer Shares. The Gaoyi OTC Swaps are linked to the Offer Shares and the CICC FT Ultimate Clients (Gaoyi) may, after expiration of the lock-up period beginning from the date of the cornerstone agreement entered into between CICC FT and the Company and ending on the date which is six months from the Listing Date, request to early terminate the Gaoyi OTC Swaps at their own discretions, upon which CICC FT may dispose of the Offer Shares and settle the Gaoyi OTC Swaps in cash in accordance with the terms and conditions of the Gaoyi OTC Swaps. Despite that CICC FT will hold the legal title of the Offer Shares by itself, it will not exercise the voting rights attaching to the relevant Offer Shares during the terms of the Gaoyi OTC Swaps according to its internal policy. To the best of CICC FT’s knowledge having made all reasonable inquiries, each of the CICC FT Ultimate Clients (Gaoyi) is an independent third party of CICC FT, China International Capital Corporation Hong Kong Securities Limited (“**CICCHKS**”) and the companies which are members of the same group of CICCHKS, and no single ultimate beneficial owner holds 30% or more interests in each of the CICC FT Ultimate Clients (Gaoyi).

CICC FT is a wholly-owned subsidiary of China International Capital Corporation Limited, of which its shares are listed on the Shanghai Stock Exchange (stock code: 601995) and the Stock Exchange (stock code: 3908). CICC FT is a connected client (as defined under Appendix 6 to the Listing Rules) of CICCHKS, holding securities on a non-discretionary basis on behalf of independent third parties. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph 5(1) of Appendix F1 to the Listing Rules to permit us to allocate the Offer Shares to CICC FT. See “Waivers and Exemptions — Waiver in relation to Allocation of Offer Shares to a Connected Client.”

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The CICC FT Ultimate Clients (Gaoyi) are certain investment funds (including a total of no more than six funds) managed by Shanghai Gaoyi Asset Management Partnership (Limited Partnership) (上海高毅資產管理合夥企業(有限合夥)) (“**Shanghai Gaoyi**”). Shanghai Gaoyi is a limited partnership established in the PRC, which is engaged in asset management and investment management with a primary focus on investments in secondary market. Shanghai Gaoyi holds the Qualification of Private Investment Fund Manager (私募投資基金管理人資格) accredited by the Asset Management Association of China (中國證券投資基金業協會). The managing partner of Shanghai Gaoyi is Shanghai Gaoyi Investment Management Co., Ltd. (上海高毅投資管理有限公司) (“**Gaoyi Investment**”). Perseverance Asset Management is an affiliate of Shanghai Gaoyi.

According to our PRC Legal Advisors, the aforementioned transaction structure does not violate the PRC laws and regulations.

Perseverance Asset Management

Perseverance Asset Management International (Singapore) Pte. Ltd. (“**Perseverance Asset Management**”) acts as the investment advisor or investment manager of four investment funds and a separated managed account (collectively the “**Perseverance Funds**”). No single ultimate beneficial owner holds 30% or more interests in each of the Perseverance Funds. Perseverance Asset Management is a private limited company incorporated in Singapore on October 1, 2018, and holds a Capital Markets Services License for fund management with Monetary Authority of Singapore. The ultimate controlling shareholder of Perseverance Asset Management is Perseverance Asset Management International, which is principally engaged in investment management and investment advisory services. Perseverance Asset Management is entering the cornerstone investment agreement with the Company in its capacity as an investment advisor or investment manager and on behalf of the Perseverance Funds.

Zenith Hop

Zenith Hop International Limited (“**Zenith Hop**”), a limited liability company incorporated under the laws of the British Virgin Islands, is principally engaged in investment holding. No single shareholder holds more than 30% interest in Zenith Hop. Zenith Hop is managed by Orchid Asia V Group Management, Limited (“**Orchid Asia**”). Orchid Asia is wholly-owned by Orchid Asia V Group, Limited, which is in turn wholly-owned by Ms. Lam Lai Ming, and is controlled by Mr. Li Gabriel by virtue of his directorship therein. Orchid Asia is a private equity group with an investment focus on the PRC and Asia. Mr. Li Gabriel is the managing partner and an investment committee member of Orchid Asia Group Management, Limited. He is currently also a director of Trip.com Group Limited (stock code: TCOM.NQ). Ms. Lam Lai Ming is the spouse of Mr. Li Gabriel.

Abstract Enigma Limited

Abstract Enigma Limited is a company incorporated under the laws of the Cayman Islands and a controlled subsidiary of Boyu Capital Opportunities Master Fund. Boyu Capital Opportunities Master Fund is an exempted company incorporated under the laws of the Cayman Island and an investment fund managed by Boyu Capital Management (Singapore) Pte. Ltd. (“**Boyu**”). Boyu holds a capital markets services license and is regulated by the Monetary Authority of Singapore. Engaging in fund management business, Boyu provides growth and transformational capital for leading businesses and entrepreneurs in areas that include technology, healthcare, consumer and business services. Boyu is 100% indirectly owned by Boyu Group, LLC, which is in turn ultimately controlled by Mr. Xiaomeng Tong, an Independent Third Party. There is no single investor holding 30% or more interest in Abstract Enigma Limited through Boyu Capital Opportunities Master Fund.

Shanghai Greenwoods and CICC Financial Trading Limited (in connection with Greenwoods OTC Swaps)

CICC FT and CICCL will enter into a series of cross border delta-one OTC swap transactions (collectively, the “**Greenwoods OTC Swaps**”) with each other and the ultimate clients (the “**CICC FT Ultimate Clients (Greenwoods)**”), pursuant to which CICC FT will hold the Offer Shares on a non-discretionary basis to hedge the Greenwoods OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the CICC FT Ultimate Clients (Greenwoods), subject to customary fees and commissions. The Greenwoods OTC Swaps will be fully funded by the CICC FT Ultimate Clients (Greenwoods). During the terms of the Greenwoods OTC Swaps, all economic returns of the Offer Shares subscribed by CICC FT will be passed to the CICC FT Ultimate Clients (Greenwoods) and all economic loss shall be borne by the CICC FT Ultimate Clients (Greenwoods) through the Greenwoods OTC Swaps, and CICC FT will not take part in any economic return or bear any economic loss in relation to the Offer Shares. The Greenwoods OTC Swaps are linked to the Offer Shares and the CICC FT Ultimate Clients (Greenwoods) may, after expiration of the lock-up period beginning from the date of the cornerstone agreement entered into between CICC FT and the Company and ending on the date which is six months from the Listing Date, request to early terminate the Greenwoods OTC Swaps at their own discretions, upon which CICC FT may dispose of the Offer Shares and settle the Greenwoods OTC Swaps in cash in accordance with the terms and conditions of the Greenwoods OTC Swaps. Despite that CICC FT will hold the legal title of the Offer Shares by itself, it will not exercise the voting rights attaching to the relevant Offer Shares during the terms of the Greenwoods OTC Swaps according to its internal policy. To the best of CICC FT’s knowledge having made all reasonable inquiries, each of the CICC FT Ultimate Clients (Greenwoods) is an independent third party of CICC FT, CICCHKS and the companies which are members of the same group of CICCHKS, and no single ultimate beneficial owner holds 30% or more interests in each of the CICC FT Ultimate Clients (Greenwoods).

CORNERSTONE INVESTORS

CICC FT is a wholly-owned subsidiary of China International Capital Corporation Limited, of which its shares are listed on the Shanghai Stock Exchange (stock code: 601995) and the Stock Exchange (stock code: 3908). CICC FT is a connected client (as defined under Appendix 6 to the Listing Rules) of CICCHK, holding securities on a non-discretionary basis on behalf of independent third parties. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph 5(1) of Appendix 6 to the Listing Rules to permit us to allocate the Offer Shares to CICC FT. See “Waivers and Exemptions — Waiver in relation to Allocation of Offer Shares to a Connected Client.”

The CICC FT Ultimate Clients (Greenwoods) are certain domestic private funds (including a total of no more than four funds) managed by Shanghai Greenwoods Asset Management Co., Ltd (上海景林資產管理有限公司) (“Shanghai Greenwoods”). Shanghai Greenwoods is a private fund management company with the registration under AMAC. Shanghai Greenwoods is one of the largest and earliest PRC domestic asset managers mainly specializing in investing into companies in the Greater China region. Shanghai Greenwoods focuses on fundamental research, value investments, and local due diligence. Investors of funds managed by Shanghai Greenwoods include institutional investors and high-net-worth individuals professional investors. Mr. Jiang Jinzhi is the Chairman, a major shareholder and an ultimate beneficial owner of Shanghai Greenwoods. No other shareholder holds 30% or more interest in Shanghai Greenwoods. As confirmed by Shanghai Greenwoods, the subscription of the Offer Shares as cornerstone investor will be made by Shanghai Greenwoods in its capacity as the fund manager of domestic private funds through TRS mechanism.

According to our PRC Legal Advisors, the aforementioned transaction structure does not violate the PRC laws and regulations.

HK Greenwoods

Greenwoods Asset Management Hong Kong Limited (“**HK Greenwoods**”) is a private fund management company incorporated in Hong Kong with limited liability. Established in 2005, HK Greenwoods is one of the largest and earliest China-focused asset managers mainly specializing in investing into companies in the Greater China region. HK Greenwoods focuses on fundamental research, value investments, and local due diligence. Investors of funds and accounts managed by HK Greenwoods includes institutional investors and high-net-worth individuals professional investors. Mr. Jiang Jinzhi is the Chairman, a major shareholder and an ultimate beneficial owner of HK Greenwoods. As confirmed by HK Greenwoods, the subscription of the Offer Shares as a cornerstone investor will be made by HK Greenwoods in its capacity as the investment manager of Golden China Master Fund and no single ultimate beneficial owner holds 30% or more interests in Golden China Master Fund. HK Greenwoods and Shanghai Greenwoods are affiliate of each other.

Pinpoint

Pinpoint Asset Management Limited (“**Pinpoint**”) is the investment advisor of the funds under its management, which comprise solely exempted companies incorporated in Cayman Islands, including Pinpoint China Fund and Pinpoint Multi-Strategy Master Fund. Pinpoint is a limited liability company incorporated in Hong Kong on June 4, 2010. It is an independent investment research and management company that provides active asset management services to institutional investors, pension funds, private banking, fund of funds, family offices and high net worth individuals. It is licensed to conduct asset management business (type 9 regulated activities as defined under the SFO) by the SFC. It is directly held by Pinpoint Capital Management Group as to 100%, and is ultimately held as to 84.1% by Mr. Wang Qiang, and as to 15.9% by Ms. Bao Jiarong. Apart from Mr. Wang Qiang who holds more than 30% of Pinpoint China Fund and Pinpoint Multi-Strategy Master Fund, no other ultimate beneficial owner holds 30% or more interest in Pinpoint China Fund and Pinpoint Multi-Strategy Master Fund.

UBS AM Singapore

UBS Asset Management (Singapore) Ltd. (“**UBS AM Singapore**”), a company incorporated in Singapore in December 1993, has entered into a cornerstone investment agreement with the Company and UBS AG Hong Kong Branch, in its capacity as the delegate of the investment manager for and on behalf of the following fund(s): (i) UBS (Lux) Equity Fund — Greater China (USD); (ii) UBS (Lux) Equity Fund — China Opportunity (USD); (iii) UBS (HK) Fund Series — China Opportunity Equity (USD); (iv) UBS (Lux) Equity SICAV — All China (USD); (v) UBS (Lux) Investment SICAV — China A Opportunity (USD); (vi) UBS (CAY) China A Opportunity; (vii) UBS (Lux) Key Selection SICAV — China Allocation Opportunity (USD); and (viii) certain other segregated accounts and mandates. As confirmed by UBS AM Singapore, no single ultimate beneficial owner holds 30% or more interest in those funds.

UBS AM Singapore is a wholly owned subsidiary of UBS Asset Management AG, an investment management company, which is wholly ultimately owned by UBS Group AG, which is a company organized under Swiss law as a corporation that has issued shares of common stock to investors. UBS Group AG’s shares are listed on the SIX Swiss Exchange (stock code: UBSG) and the New York Stock Exchange (stock code: UBS).

WT

WT Asset Management Limited (“**WT**”) is a company incorporated in Hong Kong with limited liability and licensed by the SFC to carry on type 9 (asset management) regulated activity. WT is beneficially owned as to 100% by Mr. Tongshu Wang, who is an Independent Third Party. WT has agreed to procure certain investors, namely WT China Fund Limited, WT China Focus Fund and/or WT Growth Fund (collectively, “**WT Funds**”), that WT has discretionary investment management power over, to subscribe for such number of the Investor Shares. WT Funds are managed by WT as investment manager. WT Funds pursue to achieve

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absolute return and long-term capital appreciation by investing primarily in the listed securities of companies which have great exposure or material impact by the PRC. Investors of WT Funds include but are not limited to pension funds, fund of funds, family offices and other sophisticated institutional investors. Save for Mr. Tongshu Wang and a pension fund based in North America who hold over 30% interests in WT Growth Fund and WT China Focus Fund, respectively, no other single ultimate beneficial owner holds 30% or more interests in WT Funds. As of February 28, 2025, the total AUM of WT Funds is approximately US\$2.29 billion.

CPE Investment

CPE Redwood Investment Limited (“**CPE Investment**”) is a business company incorporated under the laws of the BVI and its primary business activity is investment holding. It is wholly owned by CPE Global Opportunities Fund II, L.P. (“**CPE GOF II**”), an exempted limited partnership formed under the laws of the Cayman Islands. The general partner of CPE GOF II is CPE GOF GP Limited, a company incorporated in the Cayman Islands with limited liability. CPE GOF GP Limited is directly and wholly owned by CPE Management International Limited, which is in turn wholly owned by CPE Management International II Limited, both of which are companies incorporated in the Cayman Islands with limited liability. CPE Management International II Limited is owned by a number of shareholders that are natural persons, none of whom controls CPE Management International II Limited. CPE GOF II’s investor base comprises both corporate and entrepreneurial investors. No ultimate beneficial owner of any limited partner or general partner holds more than 30% interests in CPE Investment.

Oaktree

Oaktree Capital Management, L.P. (“**Oaktree**”) is the investment manager of Oaktree Emerging Markets Equity Fund, L.P. and certain separately managed accounts within its Emerging Markets Equity strategy (severally and not jointly) (each, an “**Oaktree Fund**”, and collectively the “**Oaktree Funds**”). Oaktree Emerging Markets Equity Fund, L.P. had more than 50 limited partners as of March 31, 2025, and no limited partner of Oaktree Emerging Markets Equity Fund, L.P. holds 30% or more interests in Oaktree Emerging Markets Equity Fund, L.P. as of March 31, 2025, while the other Oaktree Funds are separately managed accounts of Oaktree. Oaktree is a Delaware limited partnership and is registered as an investment adviser with the United States Securities and Exchange Commission. Oaktree is a global alternative investment management firm. Its expertise in investing across capital structures has allowed it to cultivate a diversified mix of global investment strategies in three categories: credit, real estate, and equity. Oaktree’s investor base includes institutional investors such as pension plans, insurance companies, endowments, foundations and sovereign wealth funds. Brookfield Corporation, a company public listed on the New York Stock Exchange (ticker symbol: BN) and the Toronto Stock Exchange (ticker symbol: BN), is the only ultimate beneficial owner that indirectly holds an economic interest of more than 30% in Oaktree as of May 1, 2025.

MX Bright

MX Bright Charm (BVI) Limited (“**MX Bright**”) is a company incorporated in the British Virgin Islands, which is wholly owned by Genesis Capital III LP, whose general partner is Genesis Capital III Ltd. Genesis Capital III Ltd is wholly owned by Yuan Capital III Ltd, which is wholly owned by Mr. Zhijian Peng. The ultimate beneficial owner of Genesis Capital III LP holding 30% or more of its interest is a global institutional investor and not an individual shareholder. Other than the aforesaid limited partner holding 30% or more of its interest, no other limited partners holds more than 30% of the partnership interest of Genesis Capital III LP.

Mirae Investors

Mirae Asset Securities Co., Ltd (“**Mirae Securities**”) and Mirae Asset Global Investments Co., Ltd. (“**Mirae Asset**”, together with Mirae Securities, “**Mirae Investors**”) have, respectively, entered into Cornerstone Investment Agreements with our Company.

Mirae Securities

Mirae Securities is one of the largest investment banks incorporated in the Republic of Korea, providing a comprehensive range of financial services including brokerage, wealth management, investment banking, sales & trading, and principle investments. The company is ultimately controlled by Mirae Asset Capital Co., Ltd., a financial investment company incorporated in the Republic of Korea. The company engages primarily in corporate lending, structured finance, and strategic investments to support the broader Mirae Asset Financial Group. Mirae Securities is listed on the Korea Exchange under stock code 006800.KS.

Mirae Asset

Mirae Asset is a leading independent asset management company headquartered in Seoul, Republic of Korea. Founded in 1997, it is a core part of the Mirae Asset Financial Group, one of Asia’s largest financial services groups. The company has established itself as a global asset manager with a strong presence in major financial markets worldwide, operating in 15 countries and regions and providing innovative investment solutions.

As of March 2025, Mirae Asset manages assets totaling US\$267.0 billion, including US\$144.0 billion in ETF assets and offering 634 ETF products across 12 global markets. In addition to ETFs, the company provides traditional fund management, real estate fund management, infrastructure fund management, private equity, and multi-asset solutions etc. Mirae Asset is owned as to 60.19% by Mr. Park Hyeon-joo and 36.92% by Mirae Asset Consulting Co., Ltd., which is in turn held as to 48.49% by Mr. Park Hyeon-joo, whose spouse also holds 10.15%. Other than Mr. Park Hyeon-joo, no ultimate beneficial owner holds 30% or more in Mirae Asset Consulting Co., Ltd.

RBC Global Asset Management (Asia) Limited

RBC China Equity Fund and RBC Asia Pacific ex-Japan Equity Fund are sub-advised by RBC Global Asset Management (Asia) Limited, a member company of RBC Global Asset Management (“**RBC GAM**”), the asset management division of Royal Bank of Canada. RBC GAM is a provider of global investment management services and solutions to institutional, high-net-worth and individual investors through separate accounts, pooled funds, mutual funds, hedge funds, exchange-traded funds and specialty investment strategies. As at December 31, 2024, the RBC GAM group of companies manage approximately CAD\$485 billion in assets and have approximately 1600 employees located across Canada, the United States, Europe and Asia. No ultimate beneficial owner is holding 30% or more interests in either RBC China Equity Fund or RBC Asia Pacific ex-Japan Equity Fund.

CPIC Investors

Pacific Asset Management Co., Limited (“**Pacific Asset Management**”) and CPIC Investment Management (H.K.) Company Limited (“**CPIC (HK)**”, together with Pacific Asset Management, “**CPIC Investors**”) have, respectively, entered into Cornerstone Investment Agreement with our Company.

Pacific Asset Management

Pacific Asset Management was incorporated in the PRC and is the major external investment entity of CPIC, a company listed on Shanghai Stock Exchange (stock code: 601601), the Hong Kong Stock Exchange (stock code: 2601) and its GDR listed under the code CPIC. Pacific Asset Management’s principal businesses include the management and deployment of internal funds and insurance funds, entrusted funds management business, relevant consulting services related to funds management and other asset management businesses as permitted under PRC laws and regulations. CPIC, being a composite insurance company in the PRC based in Shanghai holds approximately (including both direct and indirect interest) 99.7% of equity interest in Pacific Asset Management.

CPIC (HK)

CPIC (HK) was established in Hong Kong, and is principally engaged in asset management and provision of investment advisory services, including the management of the investment accounts of qualified domestic institutional investors of China Pacific Property Insurance Co., Ltd. (“**China Pacific Property**”), a company engaging in the business of property insurance. Both CPIC (HK) and China Pacific Property are part of a group of CPIC, and CPIC holds approximately (including both direct and indirect interest) 100% of equity interest in CPIC (HK) and 98.5% of equity interest in China Pacific Property.

LMR Master Fund

LMR Multi-Strategy Master Fund Limited (“**LMR Master Fund**”) is established in the Cayman Islands and managed by LMR Partners LLP (“**LMR Partners**”, together with its affiliates, “**LMR**”), a global multi-strategy investment firm founded in 2009, specializing in liquid, market-neutral trading strategies with a focus on relative value. LMR employs both systematic and discretionary approaches to construct a diversified portfolio designed to generate uncorrelated returns. LMR currently manages over US\$11 billion in assets on behalf of a global institutional client base. LMR has over 350 employees across offices in London, New York, Hong Kong, Zurich, Dubai, Dublin, and Glasgow. Mr. Benjamin Levine, who is an Independent Third Party, is the only individual that owns more than a 30% interest in LMR Partners. There is no individual underlying investor that has more than 30% beneficial ownership in the LMR Master Fund.

LUOYANG Sci-Tech Inv.

Luoyang Science Technology Innvate Group, Ltd (“**LUOYANG Sci-Tech Inv.**”) is a subsidiary established by Luoyang Industrial Holding Group Co., Ltd. (“**Luoyang Industrial Group**”), as part of implementing Luoyang City’s innovation-driven strategy. LUOYANG Sci-Tech Inv. has a registered capital of RMB2 billion, and its main activities include investment and asset management services, among others. LUOYANG Sci-Tech Inv. is a wholly-owned subsidiary of Luoyang Guohong Investment Holding Group Co., Ltd. (“**Luoyang Guohong Group**”). Luoyang Guohong Group is held by Luoyang Industrial Group as to 94.76% and by the Henan Provincial Department of Finance as to 5.24%. Luoyang Industrial Group is wholly owned by the State-owned Assets Supervision and Administration Commission of the Luoyang Municipal People’s Government.

PSBC Wealth

PSBC Wealth Management Co., Ltd. (“**PSBC Wealth**”) was established on December 18, 2019, with a registered capital of RMB8.0 billion, in which Postal Savings Bank of China Co., Ltd. (stock code: 1658) holds a 100% stake and is ultimately controlled by China Post Group Corporation Limited. Its business scope is public issuance of wealth management products to the general public, investment and management of entrusted assets for investors; non-public issuance of wealth management products to eligible investors, investment and management of entrusted assets for investors; financial advisory and consulting services, etc. PSBC Wealth remained firmly committed to balanced development of scale, quality and profitability, aimed at fostering core competitiveness, deepened investment analysis, marketing, internal control, operational reforms and digital transformation, and continued to improve the rule-based, specialized and market-oriented development of wealth management business.

Taikang Life

Taikang Life Insurance Co., Ltd (“**Taikang Life**”), a company incorporated in China, is a wholly owned subsidiary of Taikang Insurance Group Inc. There is no shareholder holding 30% or more in Taikang Insurance Group Inc. Taikang Life provides a full range of personal security and investment and wealth management products and services for individuals and families. The products on offer correspond to the different requirements of customers in terms of market segments such as the children and teenagers, females and high-income population groups. They also meet multidimensional demands regarding health care and accident cover, pensions and wealth management, among others. Taikang Insurance Group Inc is an insurance and financial service conglomerate focused on insurance, asset management and health and elderly care as main businesses. The Beijing-headquartered company consists of several subsidiaries including Taikang Life, Taikang AMC, Taikang Pension, Taikang Healthcare, Taikang Health, Taikang Dental, and TK.CN. Its product offering covers life insurance, internet based financial insurance, enterprise annuity, asset management, health and elderly care, health management and commercial real estate, among others.

Lingotto

Lingotto Innovation Master Fund (“**Lingotto**”) is a private investment fund managed by Lingotto Investment Management LLP, a global asset management company, as investment manager. Lingotto is domiciled in Ireland and is regulated by the Central Bank of Ireland. Lingotto Investment Management LLP is ultimately wholly owned by Exor NV (EXO — Euronext Amsterdam). Lingotto’s strategy focuses primarily on public equities with some investments in private companies. The focus of this concentrated portfolio is on identifying rare structural winners and backing companies leading innovation through exponential technologies and business models. Except for Exor NV (EXO — Euronext Amsterdam) and a European insurance company, Covéa, no other single ultimate beneficial owner holds more than 30% of Lingotto. Covéa has no single ultimate beneficial owner holding more than 30% interest in it.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (i) the Underwriting Agreements for the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the aforesaid Underwriting Agreements having been terminated;

CORNERSTONE INVESTORS

- (ii) the Offer Price having been agreed upon between our Company and the Overall Coordinators (for themselves and on behalf of the underwriters of the Global Offering);
- (iii) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares subscribed for by the Cornerstone Investors) as well as other applicable waivers and approvals, and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;
- (iv) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreements and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (v) the respective acknowledgements, representations, warranties, undertakings and confirmations of relevant Cornerstone Investor under the respective Cornerstone Investment Agreement are accurate and true in all material respects and not misleading and that there is no material breach of the Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months from (and inclusive of) the Listing Date (the “Lock-up Period”), dispose of, in any way, any of the Offer Shares or any interest in any company or entity holding such Offer Shares that they have purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS AND PROSPECTS

See “Business — Growth Strategies” for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$30,717.9 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, and at an Offer Price of HK\$263.00 per Share, assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised.

We currently intend to apply these net proceeds for the following purposes:

- Approximately 90% or HK\$27,646.1 million will be used to advance the construction of Phase I and II of our Hungary project.

The demand for EV batteries and ESS batteries in overseas markets, including Europe, continues to grow. To better address customer needs and strengthen customer relationships, we intend to establish localized production capabilities in Europe, which is critical for our global footprint and international development. The factory in Hungary can bring us closer to manufacturing facilities of main customers in Europe, which will allow us to ensure more flexible and timely supply of our products and services, ensure the stability of our customers’ supply chains and enhance localized supply capability. In 2022, we held Board and Shareholders’ meetings and approved the proposal to invest in the construction of battery production lines with an annual capacity of 100 GWh at the Debrecen factory in Hungary in three phases. The total investment is expected to be no more than EUR7.3 billion, with a total construction period estimated to be within 64 months.

Our Hungary project is located in Debrecen, Hungary, comprising a total site area of 1.05 million square meters for Phase I and Phase II. The designed annual production capacity of Phase I and II of our Hungary project is 34 GWh and 38 GWh, respectively, amounting to a total of 72 GWh. Our Hungary project can be used for manufacturing EV batteries and ESS batteries, supplying European automotive OEMs and other overseas customers.

To date, we have completed the initial preparations for the aforementioned project in Hungary and have commenced the construction. As of December 31, 2024, we had invested approximately EUR0.7 billion. The total investment for Phase I and II of the project in Hungary is approximately EUR4.9 billion, and the remaining funds will be invested successively in the future to complete the construction as planned.

FUTURE PLANS AND USE OF PROCEEDS

- The planned investment amount for Phase I of our Hungary project is EUR2.7 billion, with EUR0.7 billion had been deployed as of December 31, 2024. The designed annual production capacity of Phase I of our Hungary project is 34 GWh. We have obtained all the necessary licenses and/or approvals in line with the construction progress of Phase I of our Hungary factory.

We expect to complete the construction of factory and commence production in 2025. The expenditures mainly include the funds required for the construction of the factory, the purchase of key production equipment, and other pre-construction preparation and trial production inputs.

- The planned investment amount for Phase II of our Hungary project is EUR2.1 billion. As of December 31, 2024, we had not deployed capital in Phase II of our Hungary project. The designed annual production capacity of Phase II of our Hungary project is 38 GWh. Phase II of our Hungary factory is currently in the preliminary preparation stage, and we intend to apply for the relevant licenses and/or approvals in accordance with its construction progress.

We expect to commence the construction in 2025. The expenditures mainly include the funds required for the construction of the factory, the purchase of key production equipment, and other pre-construction preparation and trial production inputs.

- Approximately 10% or HK\$3,071.8 million will be used for working capital and other general corporate purposes.

If the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the net proceeds that we will receive will be approximately HK\$40,636.5 million, at an Offer Price of HK\$263.00 per Share. In the event that the Offer Size Adjustment Option and the Over-allotment Option are exercised, we intend to apply the additional net proceeds for the above purposes according to the proportions stated above.

If the net proceeds from the Global Offering are not immediately used for the purposes described above, and to the extent permitted by the relevant laws and regulations, they will be deposited into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions).

We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

UNDERWRITING

HONG KONG UNDERWRITERS

China International Capital Corporation Hong Kong Securities Limited
China Securities (International) Corporate Finance Company Limited
J.P. Morgan Securities (Asia Pacific) Limited
Merrill Lynch (Asia Pacific) Limited
Goldman Sachs (Asia) L.L.C.
Morgan Stanley Asia Limited
UBS AG Hong Kong Branch
BNP Paribas Securities (Asia) Limited
Guotai Junan Securities (Hong Kong) Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 8,842,100 Hong Kong Offer Shares and the International Offering of initially 109,052,400 International Offer Shares, subject to, in each case, reallocation on the basis as described in the section headed “Structure of the Global Offering” as well as the Offer Size Adjustment Option and the Over-allotment Option (applicable only to the International Offering) in this prospectus.

UNDERWRITING ARRANGEMENTS

Hong Kong Public Offering

Hong Kong Underwriting Agreement

We have entered into the Hong Kong Underwriting Agreement with, among others, the Hong Kong Underwriters on May 9, 2025. Pursuant to the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price on, and subject to, the terms and conditions set out in this prospectus, the Hong Kong Underwriting Agreement and on the designated website at www.eipo.com.hk.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, our H Shares in issue and to be issued on the Main Board of the Stock Exchange pursuant to the Global Offering (including additional H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) and the listing and permission not having been revoked; and (b) the satisfaction of certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters

UNDERWRITING

have agreed severally (but not jointly) to subscribe for, or procure subscribers for, their respective applicable proportions of the Hong Kong Offer Shares being offered but which are not taken up under the Hong Kong Public Offering, on the terms and conditions set out in this prospectus, the Hong Kong Underwriting Agreement and on the designated website at www.eipo.com.hk.

The Hong Kong Underwriting Agreement is conditional upon and subject to, among other things, the International Underwriting Agreement having been entered into, becoming unconditional and not having been terminated in accordance with other provisions.

Grounds for Termination

The Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion and upon giving notice in writing to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect if at any time prior to 8:00 a.m. on the Listing Date:

- (i) there develops, occurs, exists or comes into force:
 - (a) any event, or series of events, in the nature of force majeure (including, without limitation, any acts of government, declaration of a local, national, regional or international emergency or war, calamity, crisis, epidemic, pandemic, outbreaks, escalation, adverse mutation or aggravation of diseases (including, without limitation, COVID-19, Severe Acute Respiratory Syndrome (SARS), swine or avian flu, H5N1, H1N1, H7N9, Ebola virus, Middle East respiratory syndrome and such related/mutated forms), comprehensive sanctions, economic sanctions, strikes, labour disputes, lock outs, other industrial actions, fire, explosion, flooding, earthquake, tsunami, volcanic eruption, civil commotion, rebellion, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God, acts of terrorism (whether or not responsibility has been claimed), paralysis in government operations, interruptions or delay in transportation) in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof) or any other jurisdiction relevant to our Group (each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”);
 - (b) any change or any development involving an anticipated change in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market matters or conditions, equity securities or exchange control or any monetary or trading settlement system or other financial markets (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets), in or affecting any of the Relevant Jurisdictions;

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- (c) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange;
- (d) any general moratorium on commercial banking activities in the PRC (imposed by the People's Bank of China), Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), New York (imposed at the U.S. Federal or New York State level or by any other authority), London, the European Union (or any member thereof) or any of the other Relevant Jurisdictions (declared by any relevant competent authority) or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in or affecting any of the Relevant Jurisdictions;
- (e) any new law or regulation, or any change or any development involving an anticipated change in existing laws or regulations, or any change or any development involving an anticipated change in the interpretation or application thereof by any court or any other authority in or affecting any of the Relevant Jurisdictions;
- (f) the imposition of sanctions under any sanctions laws or regulations, in whatever form, directly or indirectly, by or for any of the Relevant Jurisdictions or relevant to the business operations of our Company or any member of our Group;
- (g) any change or any development involving an anticipated change or amendment in or affecting taxation or foreign exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a devaluation of the United States dollar, the Hong Kong dollar or RMB against any foreign currencies or a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or RMB is linked to any foreign currency or currencies), or the implementation of any exchange control, in any of the Relevant Jurisdictions or affecting an investment in the Offer Shares;
- (h) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by our Company of a supplement or amendment to this prospectus, the final offering circular, the CSRC filings or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC;

UNDERWRITING

- (i) any demand by creditors for repayment of indebtedness or an order or petition for the winding up or liquidation of any Major Subsidiary of our Company or any composition or arrangement made by any Major Subsidiary of our Company with its creditors or a scheme of arrangement entered into by any Major Subsidiary of our Company or any resolution for the winding-up of any Major Subsidiary of our Company or the appointment of a provisional liquidator, receiver or manager over all or part of the assets or undertaking of any Major Subsidiary of our Company or anything analogous thereto occurring in respect of any Major Subsidiary of our Company;
- (j) the Chairman of the Board or any person authorised by the Board to act for and on behalf of our Company and/or the Board in connection with the Global Offering is vacating his or her office;
- (k) any litigation, dispute, proceeding, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against (1) our Company or any Major Subsidiary of our Company, or (2) any of the Chairman of the Board, any Director or any member of the senior management of our Company named in this prospectus that will result in any of the persons listed above being prohibited by operation of law or otherwise disqualified from taking part in management of our Company;
- (l) any contravention by our Company, any Major Subsidiary of our Company, the Chairman of the Board, any Director or any member of the senior management of our Company named in this prospectus of any applicable laws and regulations, including the Listing Rules, the Companies Ordinance, the Companies (Winding up and Miscellaneous Provisions) Ordinance and the PRC Company Law; or
- (m) any non-compliance of this prospectus, the formal notice, the post hearing information pack, the Disclosure Package (as defined in the International Underwriting Agreement), the preliminary offering circular, the final offering circular and any other announcement, document, materials or information made, issued, given, released or used in connection with or in relation to the contemplated offering and sale of the Offer Shares or otherwise in connection with the Global Offering (the “**Offering Documents**”) or the CSRC filings with the Listing Rules or any other applicable laws and regulations (including, without limitation, the Listing Rules, the Companies Ordinance, the Companies (Winding up and Miscellaneous Provisions) Ordinance and the relevant rules of the CSRC); or
- (n) any statement contained in any of the Offering Documents, the CSRC filings and/or any notices, announcements, advertisements, communications or other documents (including any announcement, circular, document or other communication pursuant to the Hong Kong Underwriting Agreement) issued or

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used by or on behalf of our Company in connection with the Global Offering (including any supplement or amendment thereto) (the “**Global Offering Documents**”) was, when it was issued, or has become, untrue, incorrect, inaccurate or incomplete or misleading or deceptive, or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, (including any supplement or amendment thereto) was, when it was issued, or has become, not fair and honest or not based on reasonable assumptions with reference to the facts and circumstances then subsisting; or

- (o) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a misstatement in, or omission from, any Global Offering Document; or
- (p) there is a breach of, or any event or circumstance rendering untrue, incorrect, incomplete or misleading in any respect, any of the representations or warranties given by our Company in the Hong Kong Underwriting Agreement or the International Underwriting Agreement (including any supplement or amendment thereto), as applicable; or

which, (1) in any such case individually or in the aggregate involving (i)(b), (i)(d), (i)(e), (i)(f), (i)(h), (i)(l), (i)(m), (i)(n) and/or (i)(p), in the discretion of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters), or (2) in any other cases, in the reasonable opinion of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

- i. has or will have a material adverse effect on the success of the Global Offering or the level of the Offer Shares being applied for, accepted, subscribed for or purchased or the distribution of the Offer Shares or the level of indications of interest of the Offer Shares; or
- ii. makes or will make it inadvisable, inexpedient, impracticable or incapable for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Global Offering Documents; or
- iii. has or will have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting the Hong Kong Public Offering) incapable or impracticable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

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- (ii) there has come to the notice of the Joint Sponsors and the Overall Coordinators that:
- (a) the provision of services by any of the Joint Sponsors or the Overall Coordinators under the respective engagement letters of the Joint Sponsors and Overall Coordinators could breach applicable laws, regulations or orders (including, without limitation, sanctions or executive orders imposed by the United States, the United Nations, the European Union or the United Kingdom); or
 - (b) our Company breaches its obligations under the respective engagement letters of the Joint Sponsors and Overall Coordinators and such breach, if not remedied, could lead to a breach by any of the Joint Sponsors or the Overall Coordinators of its obligations under applicable laws, rules and regulations (including the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission or the Listing Rules); or
 - (c) there is any adverse development (including any actual or anticipated governmental action, political consideration or negative media) on which any of the Joint Sponsors and the Overall Coordinators has a material concern such that it is not advisable for it to proceed with the proposed listing of the H Shares of our Company and the Global Offering; or
 - (d) there is a material breach of any of the obligations imposed upon our Company under the respective engagement letters of the Joint Sponsors and Sponsor-Overall Coordinators, the Hong Kong Underwriting Agreement or the International Underwriting Agreement (including any supplement or amendment thereto); or
 - (e) the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Offer Size Adjustment Option and the Over-allotment Option), other than subject to any applicable conditions, is refused or not granted on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, revoked or withheld; or
 - (f) (A) the notice of acceptance of the CSRC filings issued by the CSRC and/or the results of the CSRC filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by our Company of a supplement or amendment to the CSRC filings pursuant to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC or the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (關於加強境內企業境

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外發行證券和上市相關保密和檔案管理工作的規定) (the “CSRC Rules”) or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC filings with the CSRC Rules or any other applicable laws; or

- (g) any of the experts (other than any of the Joint Sponsors) has withdrawn its consent to the issue of this prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (h) our Company withdraws this prospectus (and/or any other documents used in connection with the Global Offering) or the Global Offering; or
- (i) there is a prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares (including pursuant to any exercise of the Offer Size Adjustment Option and the Over-Allotment Option) pursuant to the terms of the Global Offering; or
- (j) there is an order or petition for the winding-up of our Company or any composition or arrangement made by our Company with its creditors or a scheme of arrangement entered into by any our Company or any resolution for the winding-up of our Company or the appointment of a provisional liquidator, receiver or manager over all or part of the assets or undertaking of our Company or anything analogous thereto occurring in respect of our Company.

Indemnity

We have agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by our Company of the Hong Kong Underwriting Agreement.

The Hong Kong Underwriters’ Interests in our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested directly or indirectly in any Shares or any securities of any member of our Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of our Group.

The Hong Kong Underwriters and their affiliates may, subject to applicable laws and regulations and in their ordinary and usual course of business, (i) provide financing in connection with the subscription for, or purchase of, our securities with security interests over all or part of such securities subscribed or purchased, and/or (ii) participate in or facilitate the subscription for, or purchase of, our securities.

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Lock Up Arrangement

Undertakings by our Company to the Hong Kong Stock Exchange pursuant to the Listing Rules

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Hong Kong Stock Exchange that we will not exercise our power to issue further Shares, or securities convertible into Shares (whether or not of a class already listed), or form the subject of any agreement involving the issuance of such Shares or securities within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date) except the Offer Shares to be issued pursuant to the Global Offering (including any additional Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option), or under any other applicable circumstances provided under Rule 10.08 of the Listing Rules.

Undertakings pursuant to the Hong Kong Underwriting Agreement

(A) Undertaking by our Company

Pursuant to the Hong Kong Underwriting Agreement, we have undertaken to each of the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters not to (except pursuant to the Global Offering, including pursuant to any exercise of the Offer Size Adjustment Option and the Over-allotment Option, and pursuant to the employee incentive plans of the Company in effect as of the date of the Hong Kong Underwriting Agreement), at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the “**First Six-Month Period**”), without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules (including pursuant to the exceptions set out in Rule 10.08 of the Listing Rules):

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any legal or beneficial interest in any H Shares or other equity securities of the Company, or any interest in any of the foregoing (including, without limitation, any equity securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any H Shares or other

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equity securities of the Company, or any interest in any of the foregoing, as applicable), or deposit any H Shares or other equity securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership (legal or beneficial) of any H Shares or any other equity securities of the Company, or any interest in any of the foregoing (including, without limitation, any equity securities which are convertible into or exchangeable or exercisable for, or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or other equity securities of the Company, or any interest in any of the foregoing); or
- (c) enter into any transaction with the same economic effect as any transaction described in paragraph (a) or (b) above; or
- (d) offer to or contract to or agree to announce, or publicly disclose that the Company will or may enter into any transaction described in paragraph (a), (b) or (c) above,

in each case, whether any of the transactions described in paragraphs (a), (b) or (c) above is to be settled by delivery of any H Shares or other equity securities of the Company, in cash or otherwise (whether or not the issue of such H Shares or other equity securities will be completed within the First Six Month Period).

We have undertaken to each of the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that we will not effect any purchase of the H Shares, or agree to do so, which may reduce the holdings of the H Shares held by the public (as defined in Rule 8.24 of the Listing Rules) to below the minimum public float requirements specified in the Listing Rules or any waiver granted and not revoked by the Stock Exchange prior to the expiration of the First Six Month Period without first having obtained the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters).

International Offering

International Underwriting Agreement

In connection with the International Offering, we expect to enter into the International Underwriting Agreement with, among others, the International Underwriters at any time between Tuesday, May 13, 2025 and Friday, May 16, 2025. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions,

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severally (but not jointly) agree to purchase or procure purchasers for the International Offer Shares initially offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on grounds similar to those contained in the Hong Kong Underwriting Agreement. See the subsection headed “Structure of the Global Offering — The International Offering” for further details in this prospectus.

Over-allotment Option

We intend to grant to the International Underwriters the Over-allotment Option, exercisable in whole or in part, at the sole and absolute discretion of the Overall Coordinators on behalf of the International Underwriters from the Listing Date until 30 days from the last day permitted for the making of applications under the Hong Kong Public Offering, pursuant to which our Company may be required to issue up to an aggregate of 17,684,100 H Shares, representing not more than 15.0% of the number of Offer Shares initially available under the Global Offering (assuming the Offer Size adjustment Option is not exercised at all) or up to an aggregate of 20,336,700 H Shares, representing not more than 15.0% of the number of Offer Shares available under the Global Offering (assuming the Offer Size Adjustment Option is exercised in full), at the Offer Price to cover over-allocations in the International Offering, if any. See the subsection headed “Structure of the Global Offering — Over-allotment Option” for details.

Offer Size Adjustment Option

The Company has an Offer Size Adjustment Option under the Hong Kong Underwriting Agreement, exercisable by the Company with the prior written agreement between the Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) on or before the time of execution of the Price Determination Agreement and will lapse immediately thereafter. Upon the exercise of the Offer Size Adjustment Option, the Company may issue up to 17,684,100 additional Offer Shares (being 15.0% of the Offer Shares initially available under the Global Offering) at the Offer Price. The Offer Size Adjustment Option provides flexibility to increase the number of Offer Shares available for purchase under the Global Offering to cover additional market demand.

The exercise of the Offer Size Adjustment Option is also subject to the reallocation arrangement as described in “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation.”

COMMISSION AND EXPENSES

The Underwriters will receive an underwriting commission (the “**Fixed Fee**”) of 0.2% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option). For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid to the International Underwriters. In addition, the Underwriters may receive a

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discretionary incentive fee (the “**Discretionary Fee**”) of up to 0.6% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option). The ratio of Fixed Fee and Discretionary Fee (if fully paid) is therefore 25:75.

Assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised at all, and based on an Offer Price of HK\$263.00 per H Share, the aggregate commissions and fees (assuming full payment of the discretionary incentive fee), together with the Stock Exchange listing fees, the SFC transaction levy, the AFRC transaction levy, the Hong Kong Stock Exchange trading fee, legal and other professional fees and printing and other expenses relating to the Global Offering to be borne by our Company are estimated to amount to approximately HK\$288.3 million in aggregate.

JOINT SPONSORS’ FEE

A fee of US\$300,000 is payable by the Company as sponsor fees to each Joint Sponsor.

JOINT SPONSORS’ INDEPENDENCE

Each Joint Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

ACTIVITIES BY UNDERWRITERS

Each of the Underwriters and their respective affiliates may individually undertake a variety of activities which do not form part of the underwriting or stabilizing process.

The Underwriters and their respective affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their business activities, the Underwriters and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. These investment and trading activities may involve or relate to our assets, securities and/or instruments and/or persons and entities with relationships with us and may also include swaps and other financial instruments entered into for hedging purposes in connection with our loans and other debt.

In relation to our H Shares, the activities of the Underwriters and their respective affiliates may include acting as agent for buyers and sellers of our H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of our H Shares (whose financing may be secured by our H Shares) in the Global Offering, proprietary trading in our H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities

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such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including our H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of our H Shares, which may have a negative impact on the trading price of our H Shares. All such activities may take place in Hong Kong and elsewhere in the world and may result in the Underwriters and their respective affiliates holding long and/or short positions in our H Shares, in baskets of securities or indices including our H Shares, in units of funds that may purchase our H Shares, or in derivatives related to any of the foregoing.

In relation to issues by the Underwriters or their respective affiliates of any listed securities having our H Shares as their underlying securities, whether on the Hong Kong Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in our H Shares in most cases.

All these activities may occur both during and after the end of the stabilizing period described in the section headed “Structure of the Global Offering.” Such activities may affect the market price or value of our H Shares, the liquidity or trading volume in our H Shares and the volatility of the price of our H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Underwriters and their respective affiliates will be subject to certain restrictions, including the following:

- (a) the Underwriters and their respective affiliates (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) the Underwriters and their respective affiliates must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Some of the Underwriters or their respective affiliates have provided from time to time and are expected to provide to our Group investment banking and other services in the future for which the Underwriters or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Underwriters or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

The Global Offering consists of (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option as described below):

- (a) the Hong Kong Public Offering of initially 8,842,100 H Shares (subject to reallocation and the Offer Size Adjustment Option) as described below under “— The Hong Kong Public Offering;” and
- (b) the International offering of initially 109,052,400 H Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option) outside the United States (including to professional and institutional investors in Hong Kong) in offshore transactions in reliance on Regulation S, as described below under the subsection headed “— The International Offering.”

Investors may either apply for our H Shares under the Hong Kong Public Offering; or apply for or indicate an interest, if qualified to do so, for our H Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 2.61% of the total Shares in issue immediately following the completion of the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised). If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 2.99% of the enlarged issued share capital of our Company (assuming the Offer Size Adjustment Option is not exercised at all) or approximately 3.42% of the enlarged issued share capital of our Company (assuming the Offer Size Adjustment option is exercised in full) immediately following the completion of the Global Offering.

UNDERWRITING ARRANGEMENTS

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement, subject to the conditions set out in the subsection headed “— Conditions of the Global Offering” and the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company agreeing on the Offer Price.

We expect to enter into the International Underwriting Agreement relating to the International Offering at any time between Tuesday, May 13, 2025 and Friday, May 16, 2025.

The underwriting arrangements, the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarized in the section headed “Underwriting.”

STRUCTURE OF THE GLOBAL OFFERING

THE HONG KONG PUBLIC OFFERING

Number of H Shares Initially Offered

We are initially offering 8,842,100 H Shares at the Offer Price for subscription by the public in Hong Kong, representing approximately (i) 7.5% of the 117,894,500 H Shares initially made available under the Global Offering and (ii) 0.20% of the total Shares in issue immediately following the completion of the Global Offering (in each case, subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised).

Allocation

Allocation of H Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. The allocation of Hong Kong Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot) into two pools: Pool A and Pool B (with any odd lots being allocated to pool A).

- **Pool A:** The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with a total price of HK\$5 million or less (excluding the brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Hong Kong Stock Exchange trading fee).
- **Pool B:** The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with a total price of more than HK\$5 million and up to the total value of Pool B (excluding the brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Hong Kong Stock Exchange trading fee).

For the purpose of the immediately preceding paragraph only, the “price” for the Hong Kong Offer Shares means the price payable on application, and therefor is HK\$263.00 per Offer Share.

STRUCTURE OF THE GLOBAL OFFERING

Applicants should be aware that applications in Pool A and Pool B are likely to receive different allocation ratios. If Hong Kong Offer Shares in one pool (but not both pools) are undersubscribed, the unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly.

Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 4,421,000 Hong Kong Offer Shares (being approximately 50% of the H Shares initially made available under the Hong Kong Public Offering assuming the Offer Size Adjustment Option is not exercised) will be rejected.

Reallocation

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation under the Listing Rules. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of Hong Kong Offer Shares to a certain percentage of the total number of Offer Shares offered under the Global Offering when certain prescribed total demand levels are reached under the Hong Kong Public Offering.

We have applied for, and the Stock Exchange has granted us, a waiver from stock compliance with paragraph 4.2 of Practice Note 18 of the Listing Rules, on the basis the Hong Kong Public Offering will initially account for 7.5% of the Global Offering, with the remainder being the International Offering, without being subject to any claw-back mechanism.

If the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators may reallocate all or some unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Overall Coordinators may, in their sole and absolute discretion, determine. For the avoidance of doubt, no International Offer Shares will be reallocated to Hong Kong Public Offering in any event.

Applications

Each applicant under the Hong Kong Public Offering must give an undertaking and confirmation in the application submitted by that applicant that he/she/it and any person(s) for whose benefit the applicant is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering, and that applicant's application is liable to be rejected if either or both of the undertaking and confirmation are breached or the applicant has been or will be placed or allocated International Offer Shares under the International Offering.

STRUCTURE OF THE GLOBAL OFFERING

THE INTERNATIONAL OFFERING

Number of H Shares Initially Offered

We are initially offering 109,052,400 H Shares at the Offer Price for subscription or sale under the International Offering (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option), representing approximately 92.5% of the 117,894,500 H Shares initially made available under the Global Offering. Subject to the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, the number of H Shares initially offered under the International Offering will represent approximately 2.41% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised).

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for the Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

The International Underwriters are soliciting from prospective investors indications of interest in acquiring our H Shares in the International Offering. Prospective investors will be required to specify the number of International Offer Shares under the International Offering they would be prepared to acquire. This process, known as “book-building,” may continue up to the last day for the making of applications under the Hong Kong Public Offering, but may cease earlier in the event that the International Offering is fully covered. Allocation of Offer Shares under the International Offering will be effected in accordance with such “book-building” process and based on a number of factors, including the level and timing of demand, total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that that investor is likely to buy further H Shares, and/or hold or sell its H Shares, after the Listing. This basis of allocation is intended to result in a distribution of the Offer Shares which is likely to lead to the establishment of a solid and stable professional and institutional shareholder base to the benefit of our Group and our Shareholders as a whole. In the event that the International Offering is fully covered, the Offer Price may be fixed at any time earlier than 12:00 noon on Friday, May 16, 2025 (being the latest time for the Offer Price to be fixed) as described in the section headed “— Pricing”, the allocation of the International Offer Shares under the International Offering will be determined shortly thereafter. Accordingly, the “book-building” process may cease earlier and will not continue up to the last day for making of applications under the Hong Kong Public Offering.

The Overall Coordinators (on behalf of the Underwriters) may require an investor who has been offered (or has indicated an interest for) Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient

STRUCTURE OF THE GLOBAL OFFERING

information to the Overall Coordinators so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the Hong Kong Public Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering as described in the subsection headed “— The Hong Kong Public Offering — Reallocation,” and the exercise of the Offer Size Adjustment Option and the Over-allotment Option in whole or in part as described in the subsections headed “— Offer Size Adjustment Option” and “— Over-allotment Option.”

PRICING

Determining the Pricing of the Offer Shares

The Offer Price for the purposes of the various offerings under the Global Offering will be fixed between the Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) at any time between Tuesday, May 13, 2025 and Friday, May 16, 2025 (both days inclusive, but in any event no later than 12:00 noon on Friday, May 16, 2025 (“**Latest Time for Price Determination**”)), and the allocation of the International Offer Shares under the International Offering will be determined shortly thereafter.

We will determine the Offer Price by reference to, among other factors, the closing price of the A Shares on the Shenzhen Stock Exchange on the last trading day on or before the Price Determination Date (which is accessible to the Shareholders and potential investors at www.szse.cn/English/siteMarketData/siteMarketDatas/lookup/index.html?code=300750), and the Offer Price will not be more than HK\$263.00. The historical prices of our A Shares and trading volume on Shenzhen Stock Exchange are set out below.

Period	High	Low	ADTV ⁽¹⁾
	(RMB)	(RMB)	(A Shares)
Year ended December 31, 2022	337.14	203.06	27,686,990
Year ended December 31, 2023	264.89	146.97	21,440,856
Year ended December 31, 2024	299.00	140.75	25,527,590
Year of 2025 (up to the Latest Practicable Date)	275.55	211.39	23,573,138

Note:

- (1) Average daily trading volume (“**ADTV**”) represents daily average number of our A Shares traded over the relevant period.

STRUCTURE OF THE GLOBAL OFFERING

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in “How to Apply for Hong Kong Offer Shares — Publication of Results.”

Price Payable on Application

Applicants for Hong Kong Offer Shares may be required to pay, on application (subject to application channel), the maximum Offer Price per Hong Kong Offer Share plus the brokerage fee of 1.0%, the SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and the Hong Kong Stock Exchange trading fee of 0.00565%, amounting to a total of HK\$26,565.24 for one board lot of 100 H Shares. If the Offer Price, as finally determined in the manner described in “— Determining the Pricing of the Offer Shares ” above, is less than the maximum Offer Price, appropriate refund payments (including the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out in “How to Apply for Hong Kong Offer Shares.”

Reduction in Number of Offer Shares and/or Offer Price

The Overall Coordinators (on behalf of the Underwriters) may, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with our consent, reduce the number of Offer Shares below that stated in this prospectus at any time on or before the morning of the last day for making applications under the Hong Kong Public Offering. In this case, we will as soon as practicable after the decision to make the reduction (and no later than the morning of the last day for making applications under the Hong Kong Public Offering) publish on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at www.catl.com notice of the reduction, the cancellation of the Global Offering and the relaunch of the Global Offering at the revised number of Offer Shares. This notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as set out in this prospectus, as well as any other financial information which may change as a result of the reduction.

We will, as soon as practicable following the decision to make the reduction, in addition to publishing the notice, issue a supplemental prospectus containing details in relation to the change in the number of Offer Shares being offered. The Global Offering will be cancelled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before making applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares may not be made until or before the day which is the last day for making applications under the Hong Kong Public Offering.

STRUCTURE OF THE GLOBAL OFFERING

In the absence of a notice of reduction, the number of Offer Shares (if the Company agrees with the Overall Coordinator (on behalf of the Underwriters)) will not be reduced.

Announcement of the Basis of Allocations

The level of applications in the Hong Kong Public Offering, level of indications of interest in the International Offering, and basis of allocations of the Hong Kong Offer Shares are expected to be made available through a variety of channels in the manner described in the subsection headed “How to Apply for the Hong Kong Offer Shares — Publication of Results.”

OFFER SIZE ADJUSTMENT OPTION

In order to provide the Company with the flexibility to increase the number of Offer Shares available under the Global Offering to cover additional demand, the Company has an Offer Size Adjustment Option which will allow the Company to issue up to 17,684,100 additional Offer Shares (representing 15.0% of the Offer Shares initially being offered under the Global Offering) (the “**Offer Size Adjustment Option Shares**”) at the Offer Price. The Offer Size Adjustment Option may be exercised on or before the time of execution of the Price Determination Agreement and will lapse immediately thereafter

The Offer Size Adjustment Option is contained in the Hong Kong Underwriting Agreement and is exercisable by the Company with the prior written agreement between the Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) on or before the time of the execution of the Price Determination Agreement. If it is not exercised by such time, then the Offer Size Adjustment Option will lapse. In considering whether to exercise the Offer Size Adjustment Option, the Company and the Overall Coordinators will take into account a number of factors, including, among other things:

- (a) whether the level of interest expressed by prospective professional and institutional investors during the book-building process under the International Offering is sufficient to cover:
 - (i) the total number of Offer Shares, which represents the aggregate of the Offer Shares initially available under the Global Offering and the additional Offer Shares upon any exercise of the Offer Size Adjustment Option; and
 - (ii) the corresponding number of H Shares under the Over-allotment Option;
- (b) the prices at which prospective professional and institutional investors have indicated they would be prepared to acquire the Offer Shares in the course of the book-building process;
- (c) the quality of investors, with a view to establishing a solid professional institutional and investor shareholder base to the benefit of the Company and its Shareholders as a whole;

STRUCTURE OF THE GLOBAL OFFERING

- (d) the level of subscriptions by the valid applications in the Hong Kong Public Offering; and
- (e) general market conditions.

These Offer Size Adjustment Option Shares, if any, will be allocated in such manner as closely as practicable to maintain the proportionality between the Hong Kong Public Offering and the International Offering, and the Overall Coordinators shall allocate additional H Shares to be offered by our Company pursuant to the International Offering to the Hong Kong Public Offering in order to maintain such proportionality and the relevant number of Offer Size Adjustment Option Shares shall be allocated to the International Offering to maintain such proportionality, i.e., the initial proportion of 7.5%:92.5% between the Hong Kong Public Offering and the International Offering, except for the scenario where excess additional Offer Shares are not taken up by retail investors under the Hong Kong Public Offering and will then be reallocated to International Offering to satisfy excess demand in the International Offering as described in details below, in which case the final allocation of Offer Shares to the Hong Kong Public Offering will be less than 7.5% of the total number of Offer Shares in the Global Offering after the exercise of the Offer Size Adjustment Option.

Furthermore, the Company and the Overall Coordinators will only exercise the Offer Size Adjustment Option to the extent that the Offer Size Adjustment Option Shares to be allocated to the International Offering in order to maintain the initial proportionality between the Hong Kong Public Offering and the International Offering will be fully subscribed to ensure no Offer Size Adjustment Option Shares allocated to the International Offering will be reallocated to the Hong Kong Public Offering.

In the event that the Offer Size Adjustment Option is exercised in full:

- (a) if the Hong Kong Public Offering is oversubscribed by at least 0.15 time (being the percentage which the additional Offer Shares issued pursuant to the Offer Size Adjustment Option represent as a percentage to the number of the initial Offer Shares), the additional Offer Shares will be allocated so as to maintain the initial proportionality between the Hong Kong Public Offering and the International Offering;
- (b) if the Hong Kong Public Offering is oversubscribed by less than 0.15 time, the additional Offer Shares will first be allocated to maintain, to the extent possible, the initial proportion of 7.5%:92.5% between the Hong Kong Public Offering and the International Offering. Any excess additional Offer Shares not taken up by retail investors under the Hong Kong Public Offering will then be reallocated to International Offering to satisfy excess demand in the International Offering. In such a case, the final allocation of Offer Shares to the Hong Kong Public Offering will be less than 7.5% of the total number of Offer Shares in the Global Offering after the exercise of the Offer Size Adjustment Option.

STRUCTURE OF THE GLOBAL OFFERING

In the event that the Offer Size Adjustment Option is exercised in part:

- (a) if the Hong Kong Public Offering is oversubscribed by at least the relevant multiple (being the percentage which the additional Offer Shares issued pursuant to the Offer Size Adjustment Option represent as a percentage to the number of the initial Offer Shares), the additional Offer Shares will be allocated so as to maintain the initial proportionality between the Hong Kong Public Offering and the International Offering;
- (b) if the Hong Kong Public Offering is oversubscribed by less than the relevant multiple (being the percentage which the additional Offer Shares issued pursuant to the Offer Size Adjustment Option represent as a percentage to the number of the initial Offer Shares), the additional Offer Shares will first be allocated to maintain, to the extent possible, the initial proportion of 7.5%:92.5% between the Hong Kong Public Offering and the International Offering. Any excess additional Offer Shares not taken up by retail investors under the Hong Kong Public Offering will then be reallocated to International Offering to satisfy excess demand in the International Offering. In such a case, the final allocation of Offer Shares to the Hong Kong Public Offering will be less than 7.5% of the total number of Offer Shares in the Global Offering after the exercise of the Offer Size Adjustment Option.

In the event that the Hong Kong Public Offering is undersubscribed, all the additional Offer Shares will be allocated to the International Offering. In such a case, the final allocation of Offer Shares to the Hong Kong Public Offering will be less than 7.5% of the total number of Offer Shares in the Global Offering after the exercise of the Offer Size Adjustment Option.

If the Offer Size Adjustment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 0.39% of our enlarged issued share capital immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised). The dilution effect of the Offer Size Adjustment Option (assuming the Over-allotment Option is not exercised) is set out below:

Number of H Shares issued under the Global Offering before the exercise of the Offer Size Adjustment Option (the "Original Subscribers")	Approximate percentage of total issued share capital held by the Original Subscribers before the exercise of the Offer Size Adjustment Option	Number of H Shares issued under the Global Offering after the exercise of the Offer Size Adjustment Option in full	Approximate percentage of total issued share capital held by the Original Subscribers after the exercise of the Offer Size Adjustment Option in full
117,894,500	2.61%	135,578,600	2.60%

The Offer Size Adjustment Option will not be used for price stabilization purposes and will not be subject to the provisions of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). The Offer Size Adjustment Option will be in addition to the Over-allotment Option.

STRUCTURE OF THE GLOBAL OFFERING

The Company will disclose in its allotment results announcement if and to what extent the Offer Size Adjustment Option has been exercised, the final allocation of Offer Shares between the Hong Kong Public Offering and the International Offering and the use of the additional proceeds received, or will confirm that if the Offer Size Adjustment Option has not been exercised by the Price Determination Date, it will lapse and cannot be exercised at any future date.

OVER-ALLOCATION

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover the over-allocation by exercising the Over-allotment Option in full or in part, or by using H Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price or a combination of these means.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, we may grant the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators in their sole and absolute discretion on behalf of the International Underwriters.

Pursuant to the Over-allotment Option (if granted), the International Underwriters have the right, exercisable by the Overall Coordinators (in their sole and absolute discretion on behalf of the International Underwriters) at any time from the Listing Date until 30 days from the last day for the making of applications under the Hong Kong Public Offering (being the last day for the exercise of the Over-allotment Option, which is Saturday, June 14, 2025), to require us to allot and issue up to an aggregate of 17,684,100 H Shares, representing not more than 15.0% of the number of Offer Shares initially available under the Global Offering (assuming the Offer Size Adjustment Option is not exercised at all) or up to an aggregate of 20,336,700 H Shares, representing not more than 15.0% of the number of Offer Shares available under the Global Offering (assuming the Offer Size Adjustment Option is exercised in full), at the Offer Price, to cover over-allocations in the International Offering, if any.

If the Offer Size Adjustment Option is not exercised and the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 0.39% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering. If the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the additional Offer Shares to be issued pursuant to the Over-allotment Option will represent approximately 0.45% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering. If the Over-allotment Option is exercised, an announcement will be made.

STRUCTURE OF THE GLOBAL OFFERING

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard, and if possible, prevent a decline in the market price of the securities below the Offering Price. These transactions may be effected in jurisdictions where it is permitted to do so, in each case in compliance with all applicable laws and regulatory requirements, including those in Hong Kong. In Hong Kong, the price at which stabilization is effected cannot exceed the offer price of shares.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may over-allocate or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of our H Shares at a level higher than that which might otherwise prevail in the open market. However, there is no obligation on the Stabilizing Manager to conduct any stabilizing activity. Stabilizing actions, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as being in our best interest, (b) may be discontinued at any time and (c) is required to end within 30 days of the last day for making applications under the Hong Kong Public Offering.

Stabilizing activities permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) include (a) over-allocation for the purpose of preventing or minimising any reduction in the market price of our H Shares, (b) selling or agreeing to sell our H Shares so as to establish a short position in them for the purpose of preventing or minimising any reduction in the market price of our H Shares, (c) subscribing, or agreeing to subscribe, for our H Shares pursuant to the Over-allotment Option in order to close out any position established under (a) or (b), (d) purchasing, or agreeing to purchase, our H Shares for the sole purpose of preventing or minimising any reduction in the market price of our H Shares, (e) selling or agreeing to sell our H Shares to liquidate a long position held as a result of those purchases and (f) offering or attempting to do anything described in (b), (c), (d) or (e).

Specifically, applicants for and investors in the Offer Shares should note that:

- (a) as a result of effecting transactions to stabilize or maintain the market price of our H Shares, the Stabilizing Manager (or any person acting for it) may maintain a long position in our H Shares;
- (b) the size of the long position, and the period for which the Stabilizing Manager (or any person acting for it) will maintain the long position is at the discretion of the Stabilizing Manager and is uncertain;
- (c) liquidation of any long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of our H Shares;

STRUCTURE OF THE GLOBAL OFFERING

- (d) the duration of the stabilizing action by the Stabilizing Manager (or any person acting for it) shall not longer than the stabilizing period, which begins on the Listing Day and ends on Saturday, June 14, 2025 (being the 30th day after the last day for making applications under the Hong Kong Public Offering). As a result, demand for our H Shares, and their market price, may fall after the end of the stabilizing period;
- (e) stabilizing activities by the Stabilizing Manager (or any person acting for it) may stabilize, maintain or otherwise affect the market price of our H Shares. This means the price of our H Shares may be higher than the price that otherwise might exist in the open market;
- (f) there is no assurance that the price of our H Shares can stay at or above the Offer Price by the taking of any stabilizing action either during or after the stabilizing period; and
- (g) bids for or market purchases of our H Shares by the Stabilizing Manager (or any person acting for it) may be made at a price at or below the Offer Price and therefore at or below the price paid for our H Shares by purchasers.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 17,684,100 H Shares, representing not more than 15.0% of the number of Offer Shares initially available under the Global Offering (assuming the Offer Size Adjustment Option is not exercised at all) or up to an aggregate of 20,336,700 H Shares, representing not more than 15.0% of the number of Offer Shares available under the Global Offering (assuming the Offer Size Adjustment Option is exercised in full), through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be paid in full before the Listing Date. Both the size of such cover and the extent to which the Over-allotment Option can be exercised will depend on whether arrangements can be made with investors such that a sufficient number of H Shares can be delivered on a delayed basis. If no investor in the International Offering agrees to the delayed delivery arrangements, no stabilizing actions will be undertaken by the Stabilizing Manager and the Over-allotment Option will not be exercised.

We will make an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) within seven days of the expiration of the stabilizing period.

STRUCTURE OF THE GLOBAL OFFERING

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of applications for the Hong Kong Offer Shares will be conditional on:

- (a) the Listing Committee granting approval for the listing of, and permission to deal in, our H Shares in issue and to be issued pursuant to the Global Offering (including any additional H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) on the Main Board of the Hong Kong Stock Exchange as described in this prospectus and the approval not having been withdrawn, canceled or revoked;
- (b) the Offer Price having been agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company;
- (c) the execution and delivery of the International Underwriting Agreement; and
- (d) the obligations of the Underwriters under both the Hong Kong Underwriting Agreement and the International Underwriting Agreement having become unconditional and not having been terminated in accordance with their respective terms,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are waived on or before such dates and times) and in any event not later than Tuesday, May 20, 2025.

If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company by 12:00 noon on Friday, May 16, 2025, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among others, the other becoming unconditional and not having been terminated in accordance with their terms.

If the above conditions are not fulfilled or waived before the dates and times specified, the Global Offering will not proceed and will lapse, and the Hong Kong Stock Exchange will be notified immediately. We will publish a notice of the lapse of the Hong Kong Public Offering on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at www.catl.com on the next Business Day following the lapse. In this case, all application monies will be returned, without interest, on the terms set out in the subsection headed “How to Apply for the Hong Kong Offer Shares — Despatch/Collection of H Share Certificates and Refund of Application Monies.” In the meantime, the application monies will be held in separate accounts with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

STRUCTURE OF THE GLOBAL OFFERING

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on Tuesday, May 20, 2025, provided the Global Offering has become unconditional in all respects at or before that time.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, May 20, 2025, it is expected that dealings in our H Shares on the Hong Kong Stock Exchange will commence at 9:00 a.m. on Tuesday, May 20, 2025.

Our H Shares will be traded in board lots of 100 H Shares each and the stock code of our H Shares will be 3750.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk under the “*HKEXnews > New Listings > New Listing Information*” section, and our website at www.catl.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

APPLICATIONS FOR THE HONG KONG OFFER SHARES

1. Who can apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address (for the **White Form eIPO** service only);
- are outside the United States (within the meaning of Regulation S), and are a person described in paragraph (h)(3) of Rule 902 of Regulation S; and
- are not a legal or natural person (except qualified domestic institutional investors) of the People’s Republic of China.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing holder or beneficial owner of our Shares and/or a substantial shareholder of any of our subsidiaries;
- are director, supervisor or chief executive officer of ours and/or any of our subsidiaries;
- are a close associate of any of the above persons;

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- are our connected person or will become our connected person immediately upon completion of the Global Offering; or
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Monday, May 12, 2025 and end at 12:00 noon on Thursday, May 15, 2025 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service.	www.eipo.com.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Monday, May 12, 2025 to 11:30 a.m., Thursday, May 15, 2025, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Thursday, May 15, 2025, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit electronic application instructions on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would <u>not</u> like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

Only one application may be made for the benefit of any person. If you are suspected of making more than one application through the **White Form eIPO** service or any other channel, all of your applications are liable to be rejected.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
• Full name(s)⁽²⁾ as shown on your identity document • Identity document's issuing country or jurisdiction • Identity document type, with order of priority: i. HKID card; or ii. National identification document; or iii. Passport; and • Identity document number	• Full name(s)⁽²⁾ as shown on your identity document • Identity document's issuing country or jurisdiction • Identity document type, with order of priority: i. LEI registration document; or ii. Certificate of incorporation; or iii. Business registration certificate; or iv. Other equivalent document; and • Identity document number

Notes:

- (1) If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card.
- (2) The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.
- (3) If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
- (4) The maximum number of joint applicants on FINI is capped at four¹ in accordance with market practice.

¹ Subject to change, if the Company's Articles and applicable company law prescribe a lower cap.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- (5) If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.
- (6) If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size : 100 H Shares

Permitted Number of Hong Kong Offer Shares for application and amount payable on application/successful allotment : Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is HK\$263.00 per H Share.

If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC eIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the Offer Price, brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the designated bank for your broker or custodian.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	HK\$		HK\$		HK\$		HK\$
100	26,565.24	3,000	796,957.06	50,000	13,282,617.76	700,000	185,956,648.50
200	53,130.47	4,000	1,062,609.42	60,000	15,939,141.30	800,000	212,521,884.00
300	79,695.71	5,000	1,328,261.78	70,000	18,595,664.86	900,000	239,087,119.50
400	106,260.94	6,000	1,593,914.14	80,000	21,252,188.40	1,000,000	265,652,355.00
500	132,826.18	7,000	1,859,566.49	90,000	23,908,711.96	1,500,000	398,478,532.50
600	159,391.42	8,000	2,125,218.85	100,000	26,565,235.50	2,000,000	531,304,710.00
700	185,956.65	9,000	2,390,871.20	200,000	53,130,471.00	2,500,000	664,130,887.50
800	212,521.89	10,000	2,656,523.56	300,000	79,695,706.50	3,000,000	796,957,065.00
900	239,087.12	20,000	5,313,047.10	400,000	106,260,942.00	3,500,000	929,783,242.50
1,000	265,652.35	30,000	7,969,570.66	500,000	132,826,177.50	4,000,000	1,062,609,420.00
2,000	531,304.71	40,000	10,626,094.20	600,000	159,391,413.00	4,421,000 ⁽¹⁾	1,174,449,061.45

Notes:

- (1) Maximum number of Hong Kong Offer Shares you may apply for.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Hong Kong Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed “— Applications for the Hong Kong Offer Shares — 3. Information Required to Apply” in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

6. Terms and conditions of an application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (a) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinators (or its agents or nominees), as our agent, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;
- (b) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** Service Provider (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;
- (c) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- (d) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;
- (e) confirm that you have read this prospectus and any supplement to it and have only relied on the information and representations contained therein in making your application (or as the case may be, causing your application to be made), and will not rely on any other information or representations, except those contained in any supplement to this prospectus;
- (f) agree that none of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- (g) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, receiving bank(s), the H Share Registrar, HKSCC, HKSCC Nominees, the Hong Kong Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed “— Personal Data — Purposes” and “— Personal Data — Transfer of personal data” in this section;
- (h) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees’ application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (i) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed “— Publication of Results” in this section;
- (j) confirm that you are aware of the situations specified in the paragraph headed “— Circumstances in which You Will Not Be Allocated Hong Kong Offer Shares” in this section;
- (k) agree that your application or HKSCC Nominees’ application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- (l) agree to comply with the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association, the PRC Companies Law and laws of any other place that apply to your application, and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;
- (m) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;
- (n) warrant that the information you have provided is true and accurate;
- (o) confirm that you understand that we, our Directors and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (p) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;
- (q) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (r) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (s) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares nor have participated in the International Offering;

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- (t) confirm that you are aware of the restrictions on the Global Offering set out in this prospectus;
- (u) (if you are making the application for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or through the **White Form eIPO** service or by any one as your agent or by any other person;
- (v) (if you are making the application as an agent for the benefit of another person) warrant that: (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving application instructions to HKSCC; and (ii) you have due authority to give **electronic application instructions** on behalf of that other person as its agent; and
- (w) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all these laws and none of us nor any Relevant Person will breach any of these laws as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus.

PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform	Date/Time
Applying through White Form eIPO service or HKSCC EIPO channel:	
Website The designated results of allocation at www.iporesults.com.hk (alternatively: www.eipo.com.hk/eIPOAllotment) with a “search by ID” function.	24 hours, from 11:00 p.m., Monday, May 19, 2025 to 12:00 midnight, Sunday, May 25, 2025 (Hong Kong time)

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

Platform

Date/Time

The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the “Allotment Results” page of the **White Form eIPO** service at www.iporesults.com.hk (alternatively: www.eipo.com.hk/eIPOAllotment).

The Hong Kong Stock Exchange’s website at www.hkexnews.hk and our website at www.catl.com, which will provide links to the above mentioned web sites of the H Share Registrar.

No later than 11:00 p.m. on Monday, May 19, 2025 (Hong Kong time)

Telephone +852 2862 8555 – the allocation results telephone enquiry line provided by the H Share Registrar

Between 9:00 a.m. and 6:00 p.m., from Tuesday, May 20, 2025 to Friday, May 23, 2025 (Hong Kong time)

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m., Friday, May 16, 2025 (Hong Kong time)

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m., Friday, May 16, 2025 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Hong Kong Stock Exchange’s website at www.hkexnews.hk and our website at www.catl.com by no later than 11:00 p.m. on Monday, May 19, 2025 (Hong Kong time).

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which no Hong Kong Offer Shares will be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and our/their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Hong Kong Stock Exchange does not grant permission to list our Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Hong Kong Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed “— Applications for the Hong Kong Offer Shares — 5. Multiple Applications Prohibited” in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated; or
- we or the Overall Coordinators believe that by accepting your application, we or they would violate applicable securities or other laws, rules or regulations.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their designated bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their designated bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its designated bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its designated bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allocated to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificate will be deposited into CCASS as described below).

We will not issue: (i) temporary document of title in respect of our H Shares; or (ii) receipt for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Tuesday, May 20, 2025 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid evidence of title do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

The following sets out the relevant procedures and time:

	White Form eIPO service	HKSCC EIPO channel
Despatch/collection of H Share certificate		
For physical H Share certificates of 1,000,000 or more Offer Shares issued under your own name	Collection in person from our H Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Time: from 9:00 a.m. to 1:00 p.m. on Tuesday, May 20, 2025 (Hong Kong time) If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar. Note: If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	H Share certificates will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account. No action by you is required.
For physical H Share certificates of less than 1,000,000 Offer Shares issued under your own name	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk. Time: Monday, May 19, 2025	
Refund mechanism for surplus application monies paid by you		
Date	Tuesday, May 20, 2025	Subject to the arrangement between you and your broker or custodian
Responsible party . . .	H Share Registrar	Your broker or custodian

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

	White Form eIPO service	HKSCC EIPO channel
Application monies paid through single bank account	Any refund will be despatched to the bank account in the form of White Form e-Refund payment instructions	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it.
Application monies paid through multiple bank accounts	Refund cheque(s) will be dispatched to the address as specified in your application instructions by ordinary post at your own risk	

Except in the event of any Severe Weather Signals (as defined below) in force in Hong Kong on the business day before the Listing Date rendering it impossible for the relevant share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and share certificates in accordance with the contingency arrangements as agreed between them. You may refer to “— Severe Weather Arrangements” in this section.

SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Thursday, May 15, 2025 if, there is (are):

- a tropical cyclone warning signal number 8 or above;
- a “black” rainstorm warning; and/or
- an “extreme conditions” announcement issued after a super typhoon (“**Extreme Conditions**”),

(collectively, “**Severe Weather Signals**”)

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, May 15, 2025.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have any of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the Listing Date. Should there be any changes to the dates mentioned in the section headed “Expected Timetable” in this prospectus, an announcement will be made and published on the Hong Kong Stock Exchange’s website at www.hkexnews.hk and our website at www.catl.com of the revised timetable.

If any of those warnings is hoisted on Monday, May 19, 2025, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository’s service counter so that they would be available for trading on Tuesday, May 20, 2025.

If any of those warnings is hoisted on Monday, May 19, 2025, for physical H Share certificates of less than 1,000,000 Hong Kong Offer Shares issued under your own name which are initially scheduled for despatch on Monday, May 19, 2025, despatch will be made by ordinary post when the post office re-opens after any of those warnings is lowered or canceled (e.g. in the afternoon of Monday, May 19, 2025 or Tuesday, May 20, 2025).

If any of those warnings is hoisted on Tuesday, May 20, 2025, for physical H Share certificates of equal to or more than 1,000,000 Hong Kong Offer Shares issued under your own name which are initially scheduled for collection at the H Share Registrar’s office from 9:00 a.m. to 1:00 p.m. on Tuesday, May 20, 2025, you may pick them up from the H Share Registrar’s office after any of those warnings is lowered or canceled (e.g. in the afternoon of Tuesday, May 20, 2025 or Wednesday, May 21, 2025).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

ADMISSION OF OUR H SHARES INTO CCASS

If the Hong Kong Stock Exchange grants the listing of, and permission to deal in, our H Shares and we comply with the stock admission requirements of HKSCC, our H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by us, the Relevant Persons, the H Share Registrar and the receiving bank(s) about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

Personal Information Collection Statement

This Personal Information Collection Statement informs applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of ours and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to us or our agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for the Hong Kong Offer Shares being rejected, or in the delay or the inability of us or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform us and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- registering new issues or transfers into or out of the names of the holders of our H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating our register of members;
- verifying identities of applicants for and holders of our H Shares and identifying any duplicate applications for our H Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of our H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from us and our subsidiaries;
- compiling statistical information and profiles of the holder of our H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable us and the H Share Registrar to discharge our or their obligations to applicants and holders of our H Shares and/or regulators and/or any other purposes to which the applicants and holders of the H Shares may from time to time agree.

Transfer of personal data

Personal data held by us and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential, but we and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- our appointed agents such as financial advisers, receiving bank(s) and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to us or the H Share Registrar in connection with their respective business operation;

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- the Hong Kong Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations including for the purpose of the Hong Kong Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or stockbrokers, etc.

Retention of personal data

We and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether we or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. We and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to us and the H Share Registrar, at our and their registered address disclosed in the section headed "Corporate Information" in this prospectus or as notified from time to time, for the attention of the secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-108, received from the Company's reporting accountants, Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CONTEMPORARY AMPEREX TECHNOLOGY CO., LIMITED AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED, CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED, J.P. MORGAN SECURITIES (FAR EAST) LIMITED AND MERRILL LYNCH (ASIA PACIFIC) LIMITED

Introduction

We report on the historical financial information of Contemporary Amperex Technology Co., Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-108, which comprises the consolidated statements of financial position of the Group as at 31 December 2022, 2023 and 2024, the statements of financial position of the Company as at 31 December 2022, 2023 and 2024, and the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2022, 2023 and 2024 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-108 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 12 May 2025 (the "Prospectus") in connection with the initial listing of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Group's consolidated financial position as at 31 December 2022, 2023 and 2024, the Company's financial position as at 31 December 2022, 2023 and 2024, and of the consolidated financial performance and consolidated cash flows of the Group for the Track Record Period in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 14 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

Grant Thornton Hong Kong Limited

Certified Public Accountants

11th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong

12 May 2025

Ng Ka Kong

Practising Certificate Number: P06919

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by Grant Thornton Hong Kong Limited in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("IAASB") ("Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	<i>Notes</i>	Year ended 31 December		
		2022	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	5	328,593,988	400,917,045	362,012,554
Cost of sales		(270,629,780)	(323,982,130)	(273,518,959)
Gross profit		57,964,208	76,934,915	88,493,595
Research and development expenses	7	(15,510,453)	(18,356,108)	(18,606,756)
Administrative and other operating expenses		(8,103,787)	(10,526,439)	(11,952,257)
Selling expenses		(2,519,230)	(3,042,744)	(3,562,797)
Other income	6(a)	7,047,244	14,883,428	19,514,964
Other gains and losses, net	6(b)	1,285,908	410,724	15,342
Impairment losses	8	(3,973,175)	(6,107,968)	(9,295,851)
Finance costs	11	(2,132,375)	(3,446,516)	(3,879,076)
Share of results of associates and joint ventures, net	20	2,614,517	3,745,762	3,743,040
Profit before income tax		36,672,857	54,495,054	64,470,204
Income tax expense	12	(3,215,713)	(7,153,019)	(9,175,245)
Profit for the year		<u>33,457,144</u>	<u>47,342,035</u>	<u>55,294,959</u>
Attributable to:				
Owners of the Company	13	30,729,164	44,702,249	52,032,846
Non-controlling interests		2,727,980	2,639,786	3,262,113
		<u>33,457,144</u>	<u>47,342,035</u>	<u>55,294,959</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Year ended 31 December		
		2022	2023	2024
		RMB'000	RMB'000	RMB'000
Profit for the year		33,457,144	47,342,035	55,294,959
Other comprehensive				
income/(loss), net of tax				
<i>Items that will not be reclassified</i>				
<i>subsequently to profit or loss:</i>				
– Fair value changes on equity				
investments at fair value				
through other comprehensive				
income (“FVTOCI”), net of				
tax		3,523,744	(1,539,168)	(2,518,065)
– Share of other comprehensive				
(loss)/income of associates,				
net of tax		(63,238)	(1,688)	93,456
<i>Items that will be reclassified</i>				
<i>subsequently to profit or loss:</i>				
– Fair value changes on				
financial assets at FVTOCI,				
net of tax		(27,826)	(212,085)	154,512
– Share of other comprehensive				
income/(loss) of associates,				
net of tax		7,040	665,231	(294,514)
– Cash flow hedges, net of tax. .		250,538	(2,958,851)	(428,065)
– Exchange differences on				
translation of financial				
statements of foreign				
operations, net of tax		1,356,252	(665,298)	1,305,062
Other comprehensive income/(loss)				
for the year, net of tax		5,046,510	(4,711,859)	(1,687,614)
Total comprehensive income for				
the year		<u>38,503,654</u>	<u>42,630,176</u>	<u>53,607,345</u>
Attributable to:				
Owners of the Company		35,452,144	40,149,105	50,228,563
Non-controlling interests		3,051,510	2,481,071	3,378,782
		<u>38,503,654</u>	<u>42,630,176</u>	<u>53,607,345</u>
Earnings per share (“EPS”) for				
profit attributable to owners				
of the Company				
Basic (in RMB per share)	15(a)	7.18	10.19	11.87
Diluted (in RMB per share)	15(b)	7.16	10.18	11.87

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
	Notes	2022	2023	2024
		RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	16	126,763,261	145,095,647	146,937,736
Right-of-use assets	17	8,475,065	9,016,403	10,003,361
Goodwill	18	704,065	707,882	894,757
Intangible assets	19	1,914,033	7,037,407	5,306,438
Investments in associates and joint ventures	20	17,595,207	50,027,694	54,791,525
Financial assets at fair value through profit or loss (“FVTPL”)	21	2,645,307	2,816,190	3,135,658
Financial assets at FVTOCI	22	20,491,264	14,128,318	11,900,901
Prepayments, deposits and other assets	26	25,145,633	21,154,913	19,426,825
Deferred tax assets	29	9,483,660	17,395,585	24,118,834
		213,217,495	267,380,039	276,516,035
Current assets				
Inventories	23	76,668,899	45,433,890	59,835,533
Trade and bills receivables	24	61,492,601	65,772,258	64,265,913
Contract assets	25(a)	174,863	233,964	400,626
Prepayments, deposits and other assets	26	37,735,999	21,339,971	19,804,706
Financial assets at FVTPL	21	1,981,328	7,767	14,282,253
Financial assets at FVTOCI	22	18,965,715	55,289,319	53,309,701
Derivative financial instruments	27	575,638	—	—
Bank balances, deposits and cash	28	190,139,815	261,710,833	298,243,356
		387,734,858	449,788,002	510,142,088
Current liabilities				
Trade and bills payables	30	191,747,512	167,825,751	179,476,484
Contract liabilities	25(b)	22,444,785	23,982,352	27,834,446
Other payables and accruals	31	55,704,573	58,963,987	57,141,230
Borrowings	32	21,534,521	22,059,847	42,373,738
Lease liabilities	33	113,106	106,299	182,379
Derivative financial instruments	27	—	3,941,410	2,116,017
Income tax payable		4,216,924	10,121,425	8,047,240
		295,761,421	287,001,071	317,171,534
Net current assets		91,973,437	162,786,931	192,970,554
Total assets less current liabilities		305,190,932	430,166,970	469,486,589

		As at 31 December		
	Notes	2022	2023	2024
		RMB'000	RMB'000	RMB'000
Non-current liabilities				
Other payables and accruals	31	19,966,702	46,866,869	22,197,549
Contract liabilities	25(b)	6,910,284	6,093,840	5,400,795
Borrowings	32	79,327,247	104,035,996	94,611,079
Lease liabilities	33	572,350	283,296	662,814
Deferred tax liabilities	29	1,807,813	1,364,906	1,231,236
Provisions	34	19,697,375	51,638,913	71,926,943
		128,281,771	210,283,820	196,030,416
Net assets		176,909,161	219,883,150	273,456,173
EQUITY				
Share capital	35	2,442,515	4,399,041	4,403,466
Reserves	37	162,038,736	193,309,012	242,526,566
Equity attributable to owners of the Company		164,481,251	197,708,053	246,930,032
Non-controlling interests		12,427,910	22,175,097	26,526,141
Total equity		176,909,161	219,883,150	273,456,173

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
	Notes	2022	2023	2024
		RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment		18,970,006	14,662,965	3,052,964
Right-of-use assets		1,083,815	1,037,033	379,211
Intangible assets		128,360	115,445	140,460
Investments in subsidiaries	48	35,328,710	56,473,340	73,050,400
Investments in associates and joint ventures	20	14,167,097	14,090,253	13,996,794
Financial assets at FVTPL		812,088	967,188	1,177,193
Financial assets at FVTOCI	22	6,101,553	4,473,126	4,528,748
Prepayments, deposits and other assets . . .	26	10,055,286	8,505,854	7,485,682
Deferred tax assets	29	5,602,248	11,004,452	13,496,389
		<u>92,249,163</u>	<u>111,329,656</u>	<u>117,307,841</u>
Current assets				
Inventories	23	42,288,695	24,016,255	32,369,700
Trade and bills receivables	24	65,464,374	68,103,049	69,969,060
Contract assets		172,606	230,302	360,229
Prepayments, deposits and other assets . . .	26	57,517,664	37,945,461	42,295,615
Financial assets at FVTPL		—	—	10,871,100
Financial assets at FVTOCI	22	14,553,639	51,716,459	49,145,249
Derivative financial instruments		507,883	—	—
Bank balances, deposits and cash	28	134,445,173	170,158,532	199,165,225
		<u>314,950,034</u>	<u>352,170,058</u>	<u>404,176,178</u>
Current liabilities				
Trade and bills payables	30	159,031,290	144,982,984	153,396,137
Contract liabilities	25(b)	23,232,269	24,060,818	25,228,351
Other payables and accruals	31	26,419,392	30,738,183	34,750,221
Borrowings	32	4,935,124	1,770,526	9,921,289
Lease liabilities		26,286	28,168	32,931
Derivative financial instruments		—	3,887,967	2,408,537
Income tax payable		2,155,754	7,387,638	4,750,669
		<u>215,800,115</u>	<u>212,856,284</u>	<u>230,488,135</u>
Net current assets		<u>99,149,919</u>	<u>139,313,774</u>	<u>173,688,043</u>
Total assets less current liabilities		<u>191,399,082</u>	<u>250,643,430</u>	<u>290,995,884</u>
Non-current liabilities				
Other payables and accruals	31	614,668	570,785	705,408
Borrowings	32	29,516,027	36,966,441	31,817,726
Lease liabilities		182,208	154,041	146,796
Deferred tax liabilities		866,642	708,838	789,773
Provisions	34	17,277,668	46,268,522	62,990,080
		<u>48,457,213</u>	<u>84,668,627</u>	<u>96,449,783</u>
Net assets		<u>142,941,869</u>	<u>165,974,803</u>	<u>194,546,101</u>
EQUITY				
Share capital	35	2,442,515	4,399,041	4,403,466
Reserves	37	140,499,354	161,575,762	190,142,635
Total equity		<u>142,941,869</u>	<u>165,974,803</u>	<u>194,546,101</u>

Attributable to owners of the Company

	Share capital	Treasury shares	Capital reserve	Other comprehensive income reserve	Special reserve	Statutory reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000 Note 35	RMB'000 Note 35	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	2,330,851	(443,535)	43,163,697	4,208,320	-	1,158,471	34,095,467	84,513,271	8,108,903	92,622,174
Profit for the year	-	-	-	-	-	-	30,729,164	30,729,164	2,727,980	33,457,144
Other comprehensive income for the year	-	-	-	4,722,980	-	-	-	4,722,980	323,530	5,046,510
Total comprehensive income for the year	-	-	-	4,722,980	-	-	30,729,164	35,452,144	3,051,510	38,503,654
Shares-based compensation expenses	-	-	556,931	-	-	-	-	556,931	-	556,931
Dividends declared (Note 14)	-	-	-	-	-	-	(1,593,064)	(1,593,064)	-	(1,593,064)
Appropriation of statutory reserve	-	-	-	-	-	55,832	(55,832)	-	-	-
Capital injection	111,664	189,544	45,145,888	-	-	-	-	45,447,096	2,092,259	47,539,355
Provision of special reserve	-	-	-	-	7,769	-	-	7,769	-	7,769
Utilisation of special reserve	-	-	-	-	(7,769)	-	-	(7,769)	-	(7,769)
Others (Note)	-	-	37,857	-	-	-	67,016	104,873	(824,762)	(719,889)
Transactions with owners	111,664	189,544	45,740,676	-	-	55,832	(1,581,880)	44,515,836	1,267,497	45,783,333
As at 31 December 2022	2,442,515	(253,991)	88,904,373	8,931,300	-	1,214,303	63,242,751	164,481,251	12,427,910	176,909,161

Note: It mainly represents the amount of acquisitions of non-controlling interests.

Attributable to owners of the Company										
	Share capital	Treasury shares	Capital reserve	Other comprehensive income reserve	Special reserve	Statutory reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB '000 Note 35	RMB '000 Note 35	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
As at 1 January 2023	2,442,515	(253,991)	88,904,373	8,931,300	-	1,214,303	63,242,751	164,481,251	12,427,910	176,909,161
Profit for the year	-	-	-	-	-	-	44,702,249	44,702,249	2,639,786	47,342,035
Other comprehensive loss for the year	-	-	-	(4,553,144)	-	-	-	(4,553,144)	(158,715)	(4,711,859)
Total comprehensive (loss)/income for the year	-	-	-	(4,553,144)	-	-	44,702,249	40,149,105	2,481,071	42,630,176
Appropriation of statutory reserve	-	-	-	-	-	978,263	(978,263)	-	-	-
Transfer of other comprehensive income to retained earnings	-	-	-	(2,849,933)	-	-	2,849,933	-	-	-
Share-based compensation expenses	-	-	668,969	-	-	-	-	668,969	7,753	676,722
Dividends declared (Note 14)	-	-	-	-	-	-	(6,154,689)	(6,154,689)	(420,940)	(6,575,629)
Capital injection	2,618	(1,318,981)	390,355	-	-	-	-	(926,008)	28,918,614	27,992,606
Conversion of capital reserve into share capital	1,953,908	-	(1,953,908)	-	-	-	-	-	-	-
Provision of special reserve	-	-	-	-	50,535	-	-	50,535	27,377	77,912
Utilisation of special reserve	-	-	-	-	(41,180)	-	-	(41,180)	(22,340)	(63,520)
Others (Note)	-	-	(683,575)	-	-	-	163,645	(519,930)	(21,244,348)	(21,764,278)
Transactions with owners	1,956,526	(1,318,981)	(1,578,159)	(2,849,933)	9,355	978,263	(4,119,374)	(6,922,303)	7,266,116	343,813
As at 31 December 2023	4,399,041	(1,572,972)	87,326,214	1,528,223	9,355	2,192,566	103,825,626	197,708,053	22,175,097	219,883,150

Note: It mainly represents the amounts of (i) partial disposal of subsidiaries without loss of controls and (ii) recognition of redemption liability in respect of put option arrangement with non-controlling interests.

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Other comprehensive income reserve	Special reserve	Statutory reserve	Retained earnings		
	RMB'000 Note 35	RMB'000 Note 35	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	4,399,041	(1,572,972)	87,326,214	1,528,223	9,355	2,192,566	103,825,626	22,175,097	219,883,150
Profit for the year	-	-	-	-	-	-	52,032,846	3,262,113	55,294,959
Other comprehensive (loss)/income for the year	-	-	-	(1,804,283)	-	-	-	116,669	(1,687,614)
Total comprehensive (loss)/income for the year	-	-	-	(1,804,283)	-	-	52,032,846	3,378,782	53,607,345
Appropriation of statutory reserve	-	-	-	-	-	2,213	(2,213)	-	-
Transfer of other comprehensive income to retained earnings	-	-	-	(72,577)	-	-	72,577	-	-
Share-based compensation expenses	-	-	678,260	-	-	-	-	10,735	688,995
Dividends declared (Note 14)	-	-	-	-	-	-	(27,458,131)	(450,171)	(27,908,302)
Capital injection	4,425	(1,139,832)	591,722	-	-	-	-	1,959,694	1,416,009
Provision of special reserve	-	-	-	-	77,254	-	-	10,600	87,854
Utilisation of special reserve	-	-	-	-	(51,058)	-	-	(248)	(51,306)
Others (Note)	-	-	26,290,776	-	-	-	-	(558,348)	25,732,428
Transactions with owners	4,425	(1,139,832)	27,560,758	(72,577)	26,196	2,213	(27,387,767)	972,262	(34,322)
As at 31 December 2024	4,403,466	(2,712,804)	114,886,972	(348,637)	35,551	2,194,779	128,470,705	26,526,141	273,456,173

Note: It mainly represents the amounts of (i) acquisitions of non-controlling interests and (ii) derecognition of redemption liability in respect of put option arrangement with non-controlling interests.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Cash flows from operating activities			
Proceeds from sales of goods	305,775,248	417,943,223	417,525,378
Proceeds from refund of other tax and surcharges	9,478,690	12,739,610	10,506,188
Cash received related to other operating activities	423,809	1,916,500	2,232,183
Interest income	3,489,711	6,334,318	5,839,929
Proceeds from other income	10,643,695	7,473,846	8,775,738
Cash paid for material and services	(235,327,104)	(310,521,178)	(285,455,632)
Cash paid for salaries	(18,157,352)	(21,140,597)	(25,499,653)
Income tax and other taxes paid	(10,529,733)	(17,117,191)	(28,529,188)
Cash paid related to other operating activities	(4,588,120)	(4,802,406)	(8,404,599)
<i>Net cash generated from operating activities</i>	<u>61,208,844</u>	<u>92,826,125</u>	<u>96,990,344</u>
Cash flows from investing activities			
Proceeds from disposal of associates, joint ventures and financial assets at fair value	1,307,996	7,651,159	2,028,899
Proceeds from disposal of property, plant and equipment, intangible assets and prepaid lease payments	594	12,853	75,110
Proceeds from disposal of subsidiaries	–	3,307	–
Proceeds from investment income	740,372	1,711,393	1,838,083
Proceeds from other investing activities	1,531,307	1,239,799	963,920
Purchase of property, plant and equipment, intangible assets and prepaid lease payments	(48,215,268)	(33,624,897)	(31,179,943)
Investments in associates, joint ventures and financial assets at fair value	(12,764,661)	(5,649,689)	(22,169,451)
Cash outflows from acquisition of subsidiaries	–	(321,446)	(244,022)
Payments for other investing activities	(6,740,183)	(210,242)	(187,907)
<i>Net cash used in investing activities</i>	<u>(64,139,843)</u>	<u>(29,187,763)</u>	<u>(48,875,311)</u>
Cash flows from financing activities			
Proceeds from private placement and restricted stock incentive plans	45,362,948	397,548	600,734
Capital contributions from non-controlling interests	2,092,259	2,926,448	1,959,694
Proceeds from borrowings	55,957,727	46,595,746	30,640,129
Proceeds from other financing activities	208,178	366,758	192,179
Repayment of borrowings	(17,605,771)	(23,795,322)	(19,972,240)
Interest paid	(1,960,135)	(2,889,905)	(3,188,828)
Dividend paid to owners of the Company	(1,591,335)	(6,121,360)	(22,122,552)
Dividend paid to non-controlling interests	–	(469,828)	(496,051)
Payments for other financing activities	(197,440)	(2,293,723)	(2,137,299)
<i>Net cash generated from/(used in) financing activities</i>	<u>82,266,431</u>	<u>14,716,362</u>	<u>(14,524,234)</u>

	<i>Note</i>	Year ended 31 December		
		2022	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net increase in cash and cash equivalents		79,335,432	78,354,724	33,590,799
Cash and cash equivalents at the beginning of the year		75,505,735	157,629,318	238,165,487
Effect of foreign exchange rate changes		2,788,151	2,181,445	(1,596,552)
Cash and cash equivalents at the end of the year	28	<u>157,629,318</u>	<u>238,165,487</u>	<u>270,159,734</u>

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was a limited liability company incorporated in the People's Republic of China (the "PRC") on 16 December 2011 and changed to a joint stock limited company on 15 December 2015. The Company's A shares are listed on Shenzhen Stock Exchange on 11 June 2018. The address of the Company's registered office and its principal place of business is No. 2, Xingang Road, Zhangwan Town, Jiaocheng District, Ningde City, Fujian Province, the PRC.

During the Track Record Period, the Company and its subsidiaries are principally engaged in the research, development, production and sales of electric vehicle ("EV") batteries and energy storage system ("ESS") batteries.

In the opinion of the directors, the Company's ultimate holding company is Xiamen Ruiting Investment Co., Ltd., a company incorporated in the PRC and controlled by Mr. Zeng Yuqun.

In this Historical Financial Information, certain English names of the companies referred herein represent management's best effort to translate the Chinese names of the companies as no English names have been registered.

At the date of this Historical Financial Information, the Company's principal subsidiaries are as follows:

Company name	Place of establishment/ incorporation and operation	Share capital (in thousand)	Equity attributable to the Company		Principal activity
			Direct	Indirect	
Jiangsu Contemporary Amperex Technology Limited (江蘇時代新能源科技有限公司) (Note (a))	The PRC	RMB1,000,000	100%	N/A	EV batteries and ESS batteries related business
United Auto Battery Co., Ltd. (時代上汽動力電池有限公司) (Note (d))	The PRC	RMB2,500,000	51%	N/A	EV batteries and ESS batteries related business
Sichuan Contemporary Amperex Technology Limited (四川時代新能源科技有限公司) (Note (a))	The PRC	RMB5,303,005	79.20%	N/A	EV batteries and ESS batteries related business
Fuding Contemporary Amperex Technology Limited (福鼎時代新能源科技有限公司) (Note (b))	The PRC	RMB4,500,000	100%	N/A	EV batteries and ESS batteries related business
Guangdong Ruiqing Contemporary Amperex Technology Limited (廣東瑞慶時代新能源科技有限公司) (Note (c))	The PRC	RMB1,000,000	100%	N/A	EV batteries and ESS batteries related business
Ruiting Contemporary Amperex Technology (Shanghai) Limited (瑞庭時代(上海)新能源科技有限公司) (Note (a))	The PRC	RMB500,000	100%	N/A	EV batteries and ESS batteries related business
Contemporary Amperex Technology (Hong Kong) Limited (香港時代新能源科技有限公司) (Note (e))	Hong Kong	Hong Kong Dollars ("HK\$") 6,920,892	100%	N/A	Trade and investment

APPENDIX I

ACCOUNTANTS' REPORT

Company name	Place of establishment/ incorporation and operation	Share capital (in thousand)	Equity attributable to the Company		Principal activity
			Direct	Indirect	
Hunan Brunp Recycling Technology Co., Ltd (湖南邦普循環科技有限公司) (Note (a))	The PRC	RMB60,000	N/A	69.08%	Lithium-ion battery materials and recycling business
Ningbo Brunp Recycling Technology Co., Ltd (寧波邦普循環科技有限公司) (Note (a))	The PRC	RMB10,000	N/A	69.08%	Trade business of lithium-ion batteries materials
Contemporary Amperex Technology Thuringia AG (德國時代新能源科技(圖林根)股份有限公司) (Note (f))	Germany	Euro ("EUR") 5,000	N/A	100%	Manufacture and sales of batteries and provision of technical services
Contemporary Amperex Technology Hungary Korlátolt Felelősségű Társaság (匈牙利時代新能源科技有限責任公司) (Note (g))	Hungary	EUR9	N/A	100%	Manufacture and sales of batteries and provision of technical services

Notes:

- (a) The statutory financial statements of these entities for the years ended 31 December 2022 and 2023 prepared in accordance with the PRC Accounting Standards for Business Enterprises ("PRC GAAP") were audited by Grant Thornton Zhitong Certified Public Accountants LLP, the PRC.
- (b) The statutory financial statements of the entity for the years ended 31 December 2022 and 2023 prepared in accordance with the PRC GAAP were audited by Fujian Anxin Certified Public Accountants Co., Ltd., Certified Public Accountants, the PRC and Grant Thornton Zhitong Certified Public Accountants LLP, the PRC, respectively.
- (c) The statutory financial statements of the entity for the years ended 31 December 2022 and 2023 prepared in accordance with the PRC GAAP were audited by Zhaoqing Zhongpeng Certified Public Accountants, Certified Public Accountants, the PRC.
- (d) The statutory financial statements of the entity for the years ended 31 December 2022 and 2023 prepared in accordance with the PRC GAAP were audited by Da Hua Certified Public Accountants (Special General Partnership), Certified Public Accountants, the PRC.
- (e) The statutory financial statements of the entity for the years ended 31 December 2022 and 2023 prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") were audited by Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong.
- (f) The statutory financial statements of the entity for the years ended 31 December 2022 and 2023 prepared in accordance with German Commercial Code ("HGB") were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Certified Public Accountants, Germany.
- (g) The statutory financial statements of the entity for the years ended 31 December 2022 and 2023 prepared in accordance with Act C of 2000 on Accounting (the "Accounting Act") were audited by International Consulting Team Audit Könyvvizsgáló Kft., Certified Public Accountants, Hungary.

2. BASIS OF PRESENTATION AND PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual IFRSs and Interpretations approved by the International Accounting Standards Board ("IASB"). All IFRSs are effective for the accounting period beginning on 1 January 2024, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period. The early adoption of the IFRSs do not have any significant impact on the financial positions or results of the Group during the Track Record Period.

The material accounting policies that have been used in the preparation of this Historical Financial Information are summarised below. These policies have been consistently applied to all the periods presented in the Historical Financial Information, unless otherwise stated.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the Historical Financial Information. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

3.1 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not early adopted the following new and amended IFRSs which have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to IAS 21	Lack of Exchangeability ¹
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
IFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Annual Improvements to IFRSs	Annual Improvements to IFRS Accounting Standards – Volume 11 ²

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

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

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

⁴ Effective date not yet determined

The Group has already commenced an assessment of the impact of these new and amended IFRSs, certain of which are relevant to the Group's operations. According to the preliminary assessment made by management, no significant impact on the financial performance and positions of the Group is expected when they become effective.

3.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries for the Track Record Period. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

The Group includes the income and expenses of a subsidiary in the Historical Financial Information from the date it gains control until the date when the Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the Historical Financial Information. Where unrealised losses on sales of intra-group asset are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the equity on a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statements of financial position within the equity, separately from the equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statements of profit or loss and the consolidated statements of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

Changes in the Group's investments in subsidiaries that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e., reclassified to profit or loss or transferred directly to retained profits). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 "Financial Instruments" or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's statements of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the end of the reporting period. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

Acquisition of subsidiaries**(a) Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Consideration transferred as part of a business combination does not include amounts related to the settlement of pre-existing relationships. The gain or loss on the settlement of any pre-existing relationship is recognised in profit or loss.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value on the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as bargain purchase gain.

Where the consideration the Group transferred in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration classified as equity is not subsequently remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as a financial liability is subsequently remeasured at each reporting dates at fair value with changes in fair value recognised in profit or loss.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(b) Asset acquisitions

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the Group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets.

When a group of assets acquired and liabilities assumed do not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the Group's policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

Associates and joint ventures

An associate is an entity over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions relating about relevant activities require the unanimous consent of the parties sharing control.

In Historical Financial Information, an investment in an associate or a joint venture is initially recognised at cost and subsequently accounted for using the equity method. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate or joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the Group's investment in the associate or joint venture is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate or joint venture's net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The profit or loss for the year includes the Group's share of the post-acquisition, post-tax results of the associate or joint venture for the year, including any impairment loss on the investment in associate or joint venture recognised for the year. The Group's other comprehensive income for the year includes its share of the associate or joint venture's other comprehensive income for the year.

Unrealised gains on transactions between the Group and its associate and joint venture are eliminated to the extent of the Group's investment in the associate or joint venture. Where unrealised losses on assets sales between the Group and its associate or joint venture are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective. Where the associate or joint venture uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate or joint venture's accounting policies to those of the Group when the associate or joint venture's financial statements are used by the Group in applying the equity method.

When the Group's share of losses in an associate or a joint venture equals or exceeds its investment in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. For this purpose, the Group's investment in the associate or joint venture is the carrying amount of the investment under the equity method together with the Group's other long-term investments that in substance form part of the Group's net investment in the associate or joint venture.

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate or joint venture. At the end of each reporting period, the Group determines whether there is any objective evidence that the investment in associate or joint venture is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (i.e., higher of value-in-use and fair value less costs of disposal) of the associate or joint venture and its carrying amount. In determining the value-in-use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including cash flows arising from the operations of the associate or joint venture and the proceeds on ultimate disposal of the investment.

The Group discontinues the use of equity method from the date when it ceases to have significant influence over an associate or joint control over a joint venture. If the retained interest in that former associate or joint venture is a financial asset, the retained interest is measured at fair value, which is regarded as its fair value on initial recognition as a financial asset in accordance with IFRS 9. The difference between (i) the fair value of any retained interest and any proceeds from disposing of partial investment in the associate or joint venture; and (ii) the carrying amount of the investment at the date the equity method was discontinued, is recognised in profit or loss. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would have been required if the associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by the investee would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

In the Company's statements of financial position, investments in associates and joint ventures are stated at cost less impairment losses, unless being classified as held for sale (or included in a disposal group that is classified as held for sale).

Foreign currency translation

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company and its major subsidiaries.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation of monetary assets and liabilities at the end of the reporting period are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e., only translated using the exchange rates at the transaction date). When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

In the Historical Financial Information, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the end of the reporting period. Income and expenses have been converted into RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the other comprehensive income reserve in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation have been treated as assets and liabilities of the foreign operation and translated into RMB at the rates prevailing at the end of each reporting period.

Property, plant and equipment

Property, plant and equipment (other than construction in progress as described below) are initially recognised at acquisition cost and/or manufacturing cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management, including costs of testing whether the related assets are functioning properly). They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values using the straight-line basis over their estimated useful lives as follow:

Properties and buildings	10-50 years
Machinery	3-10 years
Transportation equipment	3-10 years
Electronic equipment	3-10 years
Special equipment	3-25 years
Other equipment	3-10 years

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

Right-of-use assets

Accounting policies of right-of-use assets (other than prepaid lease payments) are set out in "Leases" below.

Prepaid lease payments (which meet the definition of right-of-use assets) represent the upfront payment for long-term land lease in which the payment can be reliably measured. It is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the term of the lease/right-of-use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of the land.

Goodwill

Set out below are the accounting policies on goodwill arising on acquisition of a subsidiary. Accounting for goodwill arising on acquisition of investments in associates and joint ventures is set out in "Associates and joint ventures" above.

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured at the acquisition date.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units ("CGUs") and is tested annually for impairment (see "Impairment of non-financial assets (other than contract assets)" below).

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

Intangible assets (other than goodwill)

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The useful lives are as follows:

Patent rights and non-patented technology	Not over 10 years
Software	Not over 5 years
Mining and exploration rights	Not applicable

Mining rights are stated at cost less accumulated amortisation and any impairment losses while exploration rights are stated at cost less impairment losses. When exploration rights can be reasonably ascertained that an exploration property is capable of commercial production, exploration and evaluation costs capitalised are transferred to either mining rights and reserves and amortised by the unit of production method based on the proven and probable mineral reserves. Costs incurred for exploration which can be directly attributable to the development of mining infrastructure are transferred to mining infrastructure when the exploration reaches the stage of commercial production. Mining rights and exploration rights are written off to profit or loss if the exploration property is abandoned.

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets are tested for impairment as described in "Impairment of non-financial assets (other than contract assets)" below.

Research and development

Costs associated with research activities are expensed in profit or loss as they incur. Costs that are directly attributable to development activities are recognised as intangible assets provided they meet all of the following recognition requirements:

- (i) demonstration of technical feasibility of the prospective product for internal use or sale;
- (ii) there is intention to complete the intangible asset and use or sell it;
- (iii) the Group's ability to use or sell the intangible asset is demonstrated;
- (iv) the intangible asset will generate probable economic benefits through internal use or sale;
- (v) sufficient technical, financial and other resources are available for completion; and
- (vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or know-how that meet the above recognition criteria are recognised as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 "Revenue from Contracts with Customers", all financial assets are initially measured at fair value, in case of a financial asset not at FVTPL, plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- FVTPL; or
- FVTOCI.

The classification is determined by both:

- the Group's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, interest income or other financial items, except for expected credit losses ("ECL") on financial assets which is presented as a separate item in consolidated statements of profit or loss.

Subsequent measurement of financial assets

Debt instruments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included other income in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's bank balances, deposits and cash, trade and bills receivables, deposits and other assets fall into this category of financial instruments.

Financial assets at FVTOCI — recycling

If the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale, subsequent changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECL, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

Financial assets at FVTPL

Financial assets that are held within a different business model other than “hold to collect” or “hold to collect and sell” are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements under IFRS 9 apply.

Equity instruments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group elects to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income and accumulated in “other comprehensive income reserve” in equity. Such elections are made on an instrument-by-instrument basis, but only be made if the investment meets the definition of equity from the issuer’s perspective.

The equity instruments at FVTOCI are not subject to impairment assessment. The cumulative gain or loss in “other comprehensive income reserve” will not be reclassified to profit or loss upon disposal of the equity investments, and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in “other income” in profit or loss.

Financial liabilities*Classification and measurement of financial liabilities*

The Group’s financial liabilities include trade and bills payables, other payables and accruals, borrowings, corporate bonds, lease liabilities and derivative financial instruments.

The Group classifies financial liabilities that arise from supplier finance arrangement (“SFA”) within “Trade and bills payables” in the consolidated statements of financial position if they have a similar nature and function to trade payables. This is the case if the SFA is part of the working capital used in the Group’s normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the SFA are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from SFA that are classified in “Trade and bills payables” in the consolidated statements of financial position are included in operating activities in the consolidated statements of cash flows.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method except for derivatives which are not designated as hedging instruments in hedge relationships and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in profit or loss are included in finance costs or other income.

Accounting policies of lease liabilities are set out in “Leases” below.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Trade and bills payables, other payables and accruals, borrowings and corporate bonds

They are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

Redemption liability

Redemption liability arises from put option granted by the Group to the non-controlling interests, where the counterparty has the right to request the Group to purchase the equity instruments held by the counterparty for cash. As the Group does not have the unconditional right to avoid delivering cash under the put option while significant risks and rewards of ownership of the shares remain within the non-controlling interests, the Group recognises a redemption liability at the present value of the estimated future cash outflows of the redemption obligation with a corresponding adjustment to equity. Subsequently, if the Group revises its estimates of payments, the Group will adjust the carrying amount of the redemption liability, and the adjustment will be recognised against equity. If the put option expires unexercised, the liability is derecognised with a corresponding adjustment to equity. If the option is exercised, redemption liability is offset by the cash payment. The redemption liability is classified as current liabilities unless the put option can only be exercised 12 months after the end of the reporting period.

Derivative financial instruments

Details of accounting policy of derivative financial instruments are set out in “Derivative financial instruments” below.

Impairment of financial assets and contract assets

IFRS 9's impairment requirements use forward-looking information to recognise ECL — the “ECL model”. Instruments within the scope included loans and other debt-type financial assets measured at amortised cost and FVTOCI, trade and bills receivables, contract assets recognised and measured under IFRS 15.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (“Stage 1”); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (“Stage 2”).

“Stage 3” would cover financial assets that have objective evidence of impairment at the end of the reporting period.

“12-month ECL” are recognised for the Stage 1 category while “lifetime ECL” are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables and contract assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at the end of each reporting period. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, except for trade receivables with significant outstanding balances which are assessed individually, the remaining trade receivables and contract assets have been grouped based on shared credit risk characteristics. The contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the ECL rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Other financial assets measured at amortised cost and trade and bills receivables measured at FVTOCI

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the end of each reporting period with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g., a significant increase in the credit spread and the credit default swap prices for the debtor;
- existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results of the debtor.

Despite the foregoing, the Group assumes that the credit risk on trade and bills receivables measured at FVTOCI has not increased significantly since initial recognition if the trade and bills receivables measured at FVTOCI is determined to have low credit risk at the end of each reporting period. Trade and bills receivables measured at FVTOCI is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Detailed analysis of the ECL assessment of trade and bills receivables, contract assets, other financial assets measured at amortised cost and trade and bills receivables measured at FVTOCI are set out in Note 46.

Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the weighted average basis, and in the case of work in progress and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risks and commodity price risks, including foreign exchange risk contracts, commodity contracts and currency deposit contracts. Further details of derivative financial instruments are set out in Note 27.

Derivative financial instruments are recognised at fair value at the end of each reporting period with gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for hedged accounting under IFRS 9. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Hedge accounting

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined) on an ongoing basis. A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is “an economic relationship” between the hedged item and the hedging instrument.
- The effect of credit risk does not “dominate the value changes” that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchanges rates and commodity price.

(a) Fair value hedges

The fair value change on qualifying hedging instruments is recognised in profit or loss. The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. Where hedging gains or losses are recognised in profit or loss, they are recognised in the same line as the hedged item.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time are amortised to profit or loss over the remaining life of the hedged item. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

(b) Cash flow hedges

The effective portion of changes in the fair values of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated in other comprehensive income reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in other gains and losses line item. Amounts previously recognised in other comprehensive income and accumulated in other comprehensive income reserve are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the consolidated statements of profit or loss as the recognised hedged item.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in Note 28.

Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in "Impairment of financial assets and contract assets" above and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration in advance of performance. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

Financial guarantees issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within "other payables and accruals". The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instruments and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assessing the obligations. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

Subsequently, financial guarantees are measured at the higher of the amount determined in accordance with ECL under IFRS 9 as set out in "Impairment of financial assets and contract assets" above and the amount initially recognised less, where appropriate, the cumulative amount of income recognised over the guarantee period.

Leases*Definition of a lease and the Group as a lessee*

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration”. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

The Group remeasures lease liabilities whenever:

- there are changes in lease term or in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments changes due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

On the consolidated statements of financial position, prepaid lease payments and leased properties and equipment have been included in “right-of-use-assets” under non-current assets.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract (which includes both incremental costs and an allocation of other costs that relate directly to fulfilling that contract).

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After the initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be recognised in a comparable provision as described above. Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed as per above.

Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered as contingent assets.

Sales-related warranties

Sales-related warranties associated with EV batteries and ESS batteries cannot be purchased separately and are served as an assurance that the products sold comply with agreed-upon specifications (i.e. assurance-type warranties). Accordingly, the Group accounts for warranties as “Provision” in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

Share capital

Share capital are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issue of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

Revenue recognition and other contract costs**(a) Revenue from contracts with customers**

Revenue mainly arises from the following major sources:

- (i) sales of EV batteries;
- (ii) sales of ESS batteries;
- (iii) sales of battery materials from recycling process;
- (iv) sales of battery mineral resources; and
- (v) others.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when or as performance obligations are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Further details of the Group's revenue and other income recognition policies are as follows:

Revenue from sale of goods

Revenue from sale of goods between the Group and its customers generally only includes a performance obligation for the transfer of goods, which is recognised when the performance obligation has been satisfied at a point in time.

Revenue for sale of goods in Mainland China is recognised when the Group has delivered the products to the customers in accordance with the contract terms, and has received acceptance and other proof of receipt from the customers.

Revenue for export sale of goods is recognised when the Group has declared the goods for customs clearance in accordance with the contract terms, and has obtained a customs declaration or received acceptance and other proof of receipt from the customers.

The Group provides after-sale service fee for its goods and makes the respective provisions. The Group does not provide any other additional services or after-sale service, therefore, such after-sale service does not constitute a separate performance obligation.

The Group has entered into contracts with certain customers that include sale rebate terms. Such sale rebates give rise to variable consideration. For the contracts that contain sales rebate, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue from provision of services

Revenue from provision of services between the Group and its customers generally include technical services. If the customers obtain and consume the economic benefits brought by the Group's performance when the Group has performed its obligations, the Group may treat its performance obligation has been satisfied within a certain period of time and recognise the respective revenue over time, except for those revenue where the progress of performance cannot be reasonably determined.

Revenue from provision of services is recognised when the Group has satisfied the corresponding performance obligation in accordance with the contract terms, and has received acceptance and other proof of receipt form the customers.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e., gross carrying amount net of ECL allowance) of the asset.

(b) Other contract costs

Contract costs are either the costs to fulfil a contract or the incremental costs of obtaining a contract.

Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer which are not capitalised as inventories, property, plant and equipment and intangible assets, the Group capitalises the costs incurred to fulfil a contract with a customer as an asset (included in "inventories" in the consolidated statements of financial position) if all of the following criteria are met:

- (i) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (iii) the costs are expected to be recovered.

An asset is amortised and charged to the profit or loss on a systematic basis (i.e. over the period of sales contracts that is consistent with the transfer to the customer of the goods or services to which the asset relates. The asset is subject to impairment review. Other costs of fulfilling a contract, which are not capitalised, are expensed as incurred.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate. Government grants relating to the purchase of assets are included in liabilities and are recognised in profit or loss on a straight-line basis over the expected lives of the related assets.

Impairment of non-financial assets (other than contract assets)

The following assets are subject to impairment testing:

- Goodwill arising on acquisition of subsidiaries;
- Intangible assets;
- Property, plant and equipment;
- Right-of-use assets; and
- The Company's investments in subsidiaries, associates and joint ventures.

Goodwill and intangible assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level. Corporate assets are allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified. Goodwill in particular is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose and not be larger than an operating segment.

Impairment losses recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value-in-use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits***Short-term employee benefits***

Salaries, discretionary bonuses, paid annual leave and the cost of non-monetary benefits are accrued and recognised as an expense in profit or loss in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Retirement benefits***Pension scheme***

Retirement benefits to employees are provided through defined contribution plans. The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees including share option schemes and share award schemes.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the "capital reserve" in equity. If vesting conditions apply, the expense is recognised over the vesting period based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Borrowing costs

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the requirements in IAS 12 to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to the lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the end of each reporting period.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

- income or loss excluding reversals of temporary differences; and
- reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision maker (the "CODM") for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the CODM are determined by the Group's major product and service lines.

The CODM has been identified as the executive directors of the Company, who determine the operating segments of the Group and review the Group's internal reporting in order to assess performance and allocate resources. All of the Group's business operations relate to the production and sales of battery system, battery materials and industrial products with similar economic characteristics. Accordingly, the executive directors review the performance of the Group as a single business segment. No separate analysis of the segment results by reportable segment is necessary.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (b) the party is an entity and if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group.
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) the entity and the Group are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimation of fair value of financial instruments not traded in an active market

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the valuation techniques, inputs and key assumptions used in the determination of the fair value of financial assets and liabilities at level 3 fair value hierarchy see Note 45.

Impairment of property, plant and equipment, intangible assets with finite useful lives and right-of-use assets

Property, plant and equipment, intangible assets with finite useful lives and right-of-use assets are stated at costs less accumulated depreciation or amortisation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying amount of an asset can be supported by the recoverable amount, in the case of value-in-use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

As at 31 December 2022, 2023 and 2024, the aggregate carrying amounts of property, plant and equipment, intangible assets with finite useful lives and right-of-use assets amounted to RMB137,089,629,000, net of impairment losses of RMB609,246,000, RMB161,086,727,000, net of impairment losses of RMB5,477,731,000 and RMB162,184,805,000, net of impairment losses of RMB10,839,019,000, respectively.

Net realisable value of inventories

Net realisable value of inventories is based on estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. These estimates are based on the current market condition and the historical experience in selling goods of similar nature. It could change significantly as a result of changes in market conditions. The Group reassesses the estimation at the end of each reporting period. If the actual net realisable values of inventories are more or less than expected as a result of change in market condition, material reversal of or provision for impairment loss may result.

As at 31 December 2022, 2023 and 2024, the carrying amount of inventories amounted to RMB76,668,899,000, net of provision for inventories of RMB5,066,550,000, RMB45,433,890,000, net of provision for inventories of RMB4,583,174,000 and RMB59,835,533,000, net of provision for inventories of RMB6,059,183,000, respectively.

Estimation of impairment of trade and bills receivables and contract assets

The Group makes allowances on trade and bills receivables and contract assets based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. As at 31 December 2022, 2023 and 2024, the aggregate carrying amounts of trade and bills receivables and contract assets amounted to RMB61,667,464,000, net of ECL allowance of RMB1,840,226,000, RMB66,006,222,000, net of ECL allowance of RMB2,077,216,000 and RMB64,666,539,000, net of ECL allowance of RMB2,690,812,000, respectively.

The provision of ECL is sensitive to changes in estimates. When the actual future cash flows are different from expected, such difference will impact the carrying amount of trade and bills receivables and contract assets, and credit losses in the periods in which such estimate has been changed.

Estimation of provision

As explained in Note 34, the sales contracts of EV batteries and ESS batteries entered into by the Group with its customers carry warranty provisions, which require the Group to bear the maintenance responsibility for the products sold during the after-sale service period committed by the Group, regardless of changes in the market price indices. The Group recognises liabilities based on its best estimate of the maximum loss that may be incurred. Any increase or decrease in the provision would affect profit or loss in current and future years.

5. REVENUE AND SEGMENT INFORMATION**5.1 Revenue**

The Group's principal activities are disclosed in Note 1 to the Historical Financial Information.

The Group derives revenue from the transfer of goods and services at a point in time or services over time are analysed as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Type of goods and services			
– EV batteries	236,593,497	285,252,917	253,041,337
– ESS batteries.	44,980,277	59,900,522	57,290,460
– Battery materials and recycling	26,031,514	33,602,284	28,699,935
– Battery mineral resources	4,508,633	7,734,151	5,493,003
– Others	16,480,067	14,427,171	17,487,819
	<u>328,593,988</u>	<u>400,917,045</u>	<u>362,012,554</u>
Timing of revenue recognised			
– At a point in time.	327,499,175	399,737,118	360,673,723
– Over time.	1,094,813	1,179,927	1,338,831
	<u>328,593,988</u>	<u>400,917,045</u>	<u>362,012,554</u>

Unsatisfied long-term contracts

As at 31 December 2022, 2023 and 2024, the transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations mainly relating to the sales of EV batteries and ESS batteries contracts over one year amounted to approximately RMB37,953 million, RMB39,285 million and RMB36,853 million, respectively. The Group will recognise the expected revenue of substantially all of the long-term contracts over the next 8 years upon the goods or services are provided. The amounts disclosed do not include variable consideration which is constrained.

All other contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5.2 Segment information

The operating segment is reported in a manner consistent with the internal reporting provided to the CODM. Management reviews the performance of the Group as a single operating segment based on the internal organisation structure, management requirements and internal reporting system. No separate analysis of the segment results by reportable segment is necessary.

Geographical information

The following table sets out the information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services are provided or the goods are delivered.

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Revenue from external customers			
– Mainland China	251,670,828	269,924,895	251,677,045
– Other countries/regions	76,923,160	130,992,150	110,335,509
	<u>328,593,988</u>	<u>400,917,045</u>	<u>362,012,554</u>

The geographical location of non-current assets, mainly comprised of property, plant and equipment (excluding exterior facilities and others), is based on the physical location of these assets. At the end of each reporting period, more than 80% of the Group's non-current assets are located in the PRC.

Information about major customers

Revenue from external customers which individually contributed over 10% of the Group's revenue during the Track Record Period is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Revenue from external customers			
Customer A	<u>38,069,496</u>	<u>50,116,537</u>	<u>54,173,399</u>

Note: The revenue contributed from the above customer is derived from sales of EV batteries and ESS batteries.

6. OTHER INCOME AND OTHER GAINS AND LOSSES, NET**(a) Other income**

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Interest income	3,987,365	8,321,802	9,502,997
Others	3,059,879	6,561,626	10,011,967
	<u>7,047,244</u>	<u>14,883,428</u>	<u>19,514,964</u>

(b) Other gains and losses, net

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Fair value gains on financial assets at FVTPL . .	400,241	46,270	664,223
Losses on disposal of property, plant and equipment, right-of-use assets and intangible assets	(43,252)	(38,574)	(238,169)
Gains on disposal/deemed disposal of investments in subsidiaries, associates and joint ventures, net	354,947	328,073	1,695,808
Interest income from financial assets at FVTPL .	52,937	26,759	179,608
Losses from derecognition of financial assets at FVTOCI	(530,397)	(636,725)	(396,983)
Net foreign exchange gains/(losses)	1,162,628	421,518	(1,287,050)
Others	(111,196)	263,403	(602,095)
	<u>1,285,908</u>	<u>410,724</u>	<u>15,342</u>

7. RESEARCH AND DEVELOPMENT EXPENSES

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Employee benefit expenses	6,139,594	7,421,248	7,561,191
Material cost	6,364,041	5,396,630	5,845,226
Others	3,006,818	5,538,230	5,200,339
	<u>15,510,453</u>	<u>18,356,108</u>	<u>18,606,756</u>

8. EXPENSES BY NATURE

Expenses included in cost of sales, research and development expenses, selling expenses and administrative and other operating expenses are analysed as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Depreciation			
– Property, plant and equipment (Note 16)	12,854,713	22,197,397	24,228,254
– Right-of-use assets (Note 17)	305,367	277,782	468,795
	<u>13,160,080</u>	<u>22,475,179</u>	<u>24,697,049</u>
Provision for impairment losses on assets, net			
– Goodwill (Note 18)	–	176,668	–
– Intangible assets (Note 19)	–	1,833,197	1,735,914
– Right-of-use assets (Note 17)	–	21,576	281,164
– Inventories	2,532,853	209,154	2,207,180
– Investments in associates (Note 20)	–	495,239	365,103
– Property, plant and equipment (Note 16)	285,364	3,095,494	3,816,337
– Contract assets	8,710	22,599	17,627
– Trade and other receivables, net (Notes 24, 26)	1,146,248	254,041	872,526
	<u>3,973,175</u>	<u>6,107,968</u>	<u>9,295,851</u>
Amortisation of intangible assets (Note 19)	92,466	170,803	240,880
Auditor's remuneration	4,100	4,480	4,960
Direct cost of inventories recognised as an expense	226,656,083	255,662,877	202,723,479
Short-term lease charges	<u>567,331</u>	<u>961,968</u>	<u>877,798</u>

9. EMPLOYEE BENEFIT EXPENSES

(a) Employee benefit expenses are analysed as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Salaries, allowances, discretionary bonuses, benefits in kind and retirement scheme contributions	22,080,888	26,669,204	29,680,025
Share-based compensation expenses	556,931	676,722	688,995
	<u>22,637,819</u>	<u>27,345,926</u>	<u>30,369,020</u>

(b) Directors' emoluments

	Fees, salaries, allowances, discretionary bonuses, benefits in kind and retirement scheme contributions	Share-based compensation expenses	Total
	RMB'000	RMB'000	RMB'000
Year ended 31 December 2022			
Executive directors			
Mr. Zeng Yuqun	4,517	—	4,517
Mr. Li Ping	307	—	307
Mr. Zhou Jia	3,475	1,825	5,300
Mr. Pan Jian	—	—	—
Dr. Wu Kai	2,485	1,304	3,789
Mr. Huang Shilin (<i>Note (a)</i>)	2,224	—	2,224
Dr. Xin Rong (<i>Note (b)</i>)	8	—	8
Independent non-executive directors			
Dr. Xue Zuyun	200	—	200
Mr. Hong Bo	200	—	200
Dr. Cai Xiuling	200	—	200
Supervisors			
Mr. Wu Yingming	1,809	—	1,809
Ms. Feng Chunyan	2,034	—	2,034
Dr. Liu Na	1,336	—	1,336
	18,795	3,129	21,924
Year ended 31 December 2023			
Executive directors			
Mr. Zeng Yuqun	6,407	—	6,407
Mr. Li Ping	324	—	324
Mr. Zhou Jia	4,187	5,105	9,292
Mr. Pan Jian	137	—	137
Dr. Wu Kai (<i>Note (c)</i>)	2,882	1,956	4,838
Dr. Xin Rong	200	—	200
Dr. Ouyang Chuying (<i>Note (d)</i>)	5,390	—	5,390
Independent non-executive directors			
Dr. Xue Zuyun (<i>Note (e)</i>)	146	—	146
Mr. Hong Bo (<i>Note (f)</i>)	146	—	146
Dr. Cai Xiuling (<i>Note (g)</i>)	146	—	146
Mr. Lin Xiaoxiong (<i>Note (h)</i>)	—	—	—
Dr. Wu Yuhui (<i>Note (i)</i>)	54	—	54
Dr. Zhao Bei (<i>Note (j)</i>)	54	—	54
Supervisors			
Mr. Wu Yingming	2,165	—	2,165
Ms. Feng Chunyan	3,477	—	3,477
Dr. Liu Na	1,980	—	1,980
	27,695	7,061	34,756

	Fees, salaries, allowances, discretionary bonuses, benefits in kind and retirement scheme contributions	Share-based compensation expenses	Total
	RMB'000	RMB'000	RMB'000
Year ended 31 December 2024			
Executive directors			
Mr. Zeng Yuqun	5,743	—	5,743
Mr. Li Ping	538	—	538
Mr. Zhou Jia	3,328	3,872	7,200
Mr. Pan Jian	328	—	328
Dr. Xin Rong (<i>Note (b)</i>)	200	—	200
Dr. Ouyang Chuying	3,096	—	3,096
Mr. Zhao Fenggang (<i>Note (k)</i>)	54	227	281
Independent non-executive directors			
Mr. Lin Xiaoxiong	—	—	—
Dr. Wu Yuhui	200	—	200
Dr. Zhao Bei	200	—	200
Supervisors			
Mr. Wu Yingming	2,086	—	2,086
Ms. Feng Chunyan	3,369	—	3,369
Dr. Liu Na	1,746	—	1,746
	<u>20,888</u>	<u>4,099</u>	<u>24,987</u>

Notes:

- (a) Mr. Huang Shilin resigned as an executive director of the Company on 1 August 2022;
- (b) Dr. Xin Rong was appointed as an executive director of the Company on 16 November 2022 and resigned upon expiry of her term of office on 25 December 2024;
- (c) Dr. Wu Kai resigned as an executive director of the Company on 21 June 2023;
- (d) Dr. Ouyang Chuying was appointed as an executive director of the Company on 24 August 2023;
- (e) Dr. Xue Zuyun resigned as an independent non-executive director of the Company upon expiry of his term of office on 24 August 2023;
- (f) Mr. Hong Bo resigned as an independent non-executive director of the Company upon expiry of his term of office on 24 August 2023;
- (g) Dr. Cai Xiuling resigned as an independent non-executive director of the Company upon expiry of her term of office on 24 August 2023;
- (h) Mr. Lin Xiaoxiong was appointed as an independent non-executive director of the Company on 24 August 2023;
- (i) Dr. Wu Yuhui was appointed as an independent non-executive director of the Company on 24 August 2023;
- (j) Dr. Zhao Bei was appointed as an independent non-executive director of the Company on 24 August 2023; and
- (k) Mr. Zhao Fenggang was appointed as an executive director of the Company on 26 December 2024.

10. FIVE HIGHEST PAID INDIVIDUALS

During the years ended 31 December 2022, 2023 and 2024, the five highest paid individuals included 2, 1 and 1 directors, respectively, whose emoluments are reflected in Note 9(b) above. The aggregate emoluments payable to the remaining 3, 4 and 4 individuals during the years ended 31 December 2022, 2023 and 2024 are as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Salaries, allowances, discretionary bonuses, benefits in kind and retirement scheme contributions	13,388	16,287	27,577
Share-based compensation expenses	2,390	33,445	51,068
	<u>15,778</u>	<u>49,732</u>	<u>78,645</u>

The emoluments fell within the following bands:

	Year ended 31 December		
	2022	2023	2024
HK\$4,000,001 - HK\$6,000,000	1	–	–
HK\$6,000,001 - HK\$8,000,000	2	–	–
HK\$12,000,001 - HK\$14,000,000	–	3	–
HK\$14,000,001 - HK\$16,000,000	–	1	–
HK\$18,000,001 - HK\$20,000,000	–	–	2
HK\$24,000,001 - HK\$26,000,000	–	–	2
	<u>–</u>	<u>–</u>	<u>2</u>

11. FINANCE COSTS

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Interest expenses on borrowings	2,167,340	3,720,103	4,088,479
Interest expenses on lease liabilities	27,977	17,783	60,706
	<u>2,195,317</u>	<u>3,737,886</u>	<u>4,149,185</u>
Less: interest capitalised	(62,942)	(291,370)	(270,109)
	<u>2,132,375</u>	<u>3,446,516</u>	<u>3,879,076</u>

12. INCOME TAX EXPENSE

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Current income tax	7,657,395	14,805,611	15,555,258
Deferred income tax (<i>Note 29</i>)	(4,441,682)	(7,652,592)	(6,380,013)
Income tax expense	<u>3,215,713</u>	<u>7,153,019</u>	<u>9,175,245</u>

Reconciliation between tax expense and accounting profit at applicable tax rates is as follow:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Profit before income tax	<u>36,672,857</u>	<u>54,495,054</u>	<u>64,470,204</u>
Tax on profit before income tax, calculated at the rates applicable to profits in the tax jurisdiction concerned	5,979,743	8,751,429	10,313,078
Tax effect of			
– share of results of associates and joint ventures, net	(437,782)	(769,590)	(922,248)
– non-deductible expenses	42,730	113,080	204,895
– non-taxable income	(354,370)	(302,667)	(251,551)
– deductible temporary differences not recognised	381,935	1,306,608	2,350,965
– utilisation of tax losses previously not recognised	(430,133)	(137,011)	(481,197)
– change in tax rate on the opening deferred tax balance	(317,679)	26,875	3,185
– under/(over) provision in respect of prior years	69,598	(174,979)	(66,295)
– additional deduction on research and development expenses	(1,836,624)	(1,576,321)	(1,834,324)
– others	118,295	(84,405)	(141,263)
Income tax expense	<u>3,215,713</u>	<u>7,153,019</u>	<u>9,175,245</u>

PRC Enterprise Income Tax (“EIT”)

The income tax provision of certain PRC entities of the Group has been calculated at the statutory tax rate of 25% on the estimated assessable profits for the Track Record Period, based on the existing legislation, interpretations and practices in respect thereof.

The preferential income tax rate applicable to certain subsidiaries of the Group within the scope of the China's Western Development Programme was 15% for the Track Record Period.

Pursuant to the relevant laws and regulations in the PRC, certain PRC subsidiaries of the Group obtained the High and New Technology Enterprises qualification and benefit from a preferential tax rate of 15%.

Pursuant to the relevant laws and regulations in the PRC, one of the PRC subsidiaries is a key software enterprise encouraged by the state, and it will be exempted from EIT from the first year to the fifth year from the year of profit, and the EIT will be taxed at 10% starting from the sixth year. The subsidiary recorded profit since 2022.

Hong Kong Profits Tax

The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the Track Record Period.

Corporate income tax in other jurisdictions

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries. The income tax rates of the subsidiaries in Germany and Hungary are 30.175% to 32.975% and 11.3%, respectively.

13. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

For the years ended 31 December 2022, 2023 and 2024, the profit for the year attributable to owners of the Company amounted to RMB30,729,164,000, RMB44,702,249,000 and RMB52,032,846,000, respectively.

14. DIVIDENDS

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Dividends attributable to the year			
Interim dividends	1,593,064	–	–
Final and special dividends	–	6,154,689	27,458,131
	<u>1,593,064</u>	<u>6,154,689</u>	<u>27,458,131</u>

The interim dividends of RMB6.53 per 10 shares (tax inclusive) in respect of the year ended 31 December 2022 were approved by the Extraordinary General Meeting of the Group.

The final dividends of RMB25.20 per 10 shares (tax inclusive) in respect of the year ended 31 December 2022 were approved in 2022 Annual General Meeting of the Group. The final dividends have not been recognised as a liability but reflected as an appropriation of retained profits for the year ended 31 December 2022. The final dividends were paid on 26 April 2023.

The final dividends of RMB20.11 per 10 shares (tax inclusive) in respect of the year ended 31 December 2023 were approved in 2023 Annual General Meeting of the Group. The final dividends have not been recognised as a liability but reflected as an appropriation of retained profits for the year ended 31 December 2023. The final dividends were paid on 30 April 2024.

The special dividends of RMB30.17 per 10 shares (tax inclusive) in respect of the year ended 31 December 2023 were approved in 2023 Annual General Meeting of the Group. The special dividends have not been recognised as a liability but reflected as an appropriation of retained profits for the year ended 31 December 2023. The special dividends were paid on 30 April 2024.

The special dividends of RMB12.30 per 10 shares (tax inclusive) in respect of the year ended 31 December 2024 were approved in 2024 Extraordinary General Meeting of the Group on 26 December 2024 and the special dividends were paid on 24 January 2025.

The final dividends of RMB45.53 per 10 shares (tax inclusive) in respect of the year ended 31 December 2024 were approved in 2024 Annual General Meeting of the Group on 8 April 2025. The final dividends have not been recognised as a liability but reflected as an appropriation of retained profits for the year ended 31 December 2024. The final dividends were paid on 22 April 2025.

15. EPS ATTRIBUTABLE TO OWNERS OF THE COMPANY**(a) Basic EPS**

Basic EPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period, excluding treasury shares held for share schemes as these shares are not considered outstanding for EPS calculation purposes.

The following table illustrates the earnings and share information used in the calculation of basic EPS:

	Year ended 31 December		
	2022	2023	2024
Profit attributable to owners of the Company used in calculating basic EPS (RMB'000)	30,729,164	44,702,249	52,032,846
Weighted average number of ordinary shares in issue (thousand shares)	4,281,870	4,386,751	4,382,784
Basic EPS (RMB)	7.18	10.19	11.87

(b) Diluted EPS

The share schemes granted by the Company and the subsidiaries have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding, excluding treasury shares held for share schemes, by the assumption of the conversion of all potential dilutive ordinary shares arising from share schemes (collectively forming the denominator for computing the diluted EPS).

	Year ended 31 December		
	2022	2023	2024
Profit attributable to owners of the Company used in calculating diluted EPS (RMB'000)	30,729,164	44,702,249	52,032,846
Weighted average number of ordinary shares in issue (thousand shares)	4,281,870	4,386,751	4,382,784
Adjustments for potential shares arising from share schemes (thousand shares).	14,158	4,964	468
Weighted average number of ordinary shares used in calculating diluted EPS (thousand shares)	4,296,028	4,391,715	4,383,252
Diluted EPS (RMB)	7.16	10.18	11.87

16. PROPERTY, PLANT AND EQUIPMENT

As at 1 January 2022

	Properties and buildings	Machinery	Transportation equipment	Electronic equipment	Special equipment	Other equipment	Exterior facilities and others	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost	15,741,417	41,434,310	158,895	1,195,303	–	167,243	1,276,741	30,998,160	90,972,069
Accumulated depreciation	(1,537,428)	(14,754,766)	(86,713)	(554,086)	–	(118,763)	(12,402)	–	(17,064,158)
Accumulated impairment	–	(369,476)	–	(597)	–	(6)	–	–	(370,079)
Net carrying amount	14,203,989	26,310,068	72,182	640,620	–	48,474	1,264,339	30,998,160	73,537,832

Year ended 31 December 2022

Opening net carrying amount	14,203,989	26,310,068	72,182	640,620	–	48,474	1,264,339	30,998,160	73,537,832
Additions	12,895	217,754	33,653	21,461	2,327	13,006	326,769	65,758,746	66,386,611
Disposals	(1,204)	(218,982)	(1,725)	(16,365)	–	(2,575)	–	–	(240,851)
Depreciation	(1,270,155)	(10,241,442)	(36,115)	(369,908)	(1,514)	(41,445)	(894,134)	–	(12,854,713)
Impairment	–	(285,353)	–	(11)	–	–	–	–	(285,364)
Transfer from construction in progress . .	19,648,408	39,073,931	27,144	776,121	177,234	58,615	1,597,802	(61,359,255)	–
Exchange realignment	89,563	125,113	3,147	5,849	–	(3,926)	–	–	219,746
Closing net carrying amount	32,683,496	54,981,089	98,286	1,057,767	178,047	72,149	2,294,776	35,397,651	126,763,261

As at 31 December 2022 and
1 January 2023

Cost	35,494,356	80,182,457	195,424	1,928,457	179,561	233,294	3,201,313	35,397,651	156,812,513
Accumulated depreciation	(2,810,860)	(24,592,725)	(97,138)	(870,087)	(1,514)	(161,145)	(906,537)	–	(29,440,006)
Accumulated impairment	–	(608,643)	–	(603)	–	–	–	–	(609,246)
Net carrying amount	32,683,496	54,981,089	98,286	1,057,767	178,047	72,149	2,294,776	35,397,651	126,763,261

Year ended 31 December 2023

Opening net carrying amount	32,683,496	54,981,089	98,286	1,057,767	178,047	72,149	2,294,776	35,397,651	126,763,261
Additions	130,422	436,435	18,472	47,307	129,430	13,904	261,893	43,300,590	44,338,453
Disposals	(2,834)	(669,113)	(2,136)	(3,570)	–	(6,440)	–	–	(684,093)
Depreciation	(2,367,091)	(18,233,958)	(24,637)	(390,744)	(35,546)	(46,155)	(1,099,266)	–	(22,197,397)
Impairment	(296,651)	(2,315,427)	–	(55)	–	(1,754)	–	(481,607)	(3,095,494)
Transfer from construction in progress . .	22,573,587	25,916,825	11,414	324,280	1,017,532	122,712	3,238,377	(53,204,727)	–
Exchange realignment	(66,712)	34,078	802	1,354	–	1,395	–	–	(29,083)
Closing net carrying amount	52,654,217	60,149,929	102,201	1,036,339	1,289,463	155,811	4,695,780	25,011,907	145,095,647

**As at 31 December 2023 and
1 January 2024**

	Properties and buildings	Machinery	Transportation equipment	Electronic equipment	Special equipment	Other equipment	Exterior facilities and others	Construction in progress	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Cost	58,150,262	105,210,440	222,144	2,288,226	1,326,524	357,678	6,701,582	25,493,514	199,750,370
Accumulated depreciation	(5,199,394)	(42,218,183)	(119,943)	(1,251,267)	(37,061)	(200,115)	(2,005,802)	—	(51,031,765)
Accumulated impairment	(296,651)	(2,842,328)	—	(620)	—	(1,752)	—	(481,607)	(3,622,958)
Net carrying amount	52,654,217	60,149,929	102,201	1,036,339	1,289,463	155,811	4,695,780	25,011,907	145,095,647
Year ended 31 December 2024									
Opening net carrying amount	52,654,217	60,149,929	102,201	1,036,339	1,289,463	155,811	4,695,780	25,011,907	145,095,647
Additions	200,072	484,521	33,391	35,288	246,351	6,495	694,305	29,713,936	31,414,359
Disposals	(247,975)	(766,187)	(21,246)	(2,121)	(35,550)	(1,847)	—	—	(1,074,926)
Depreciation	(3,047,639)	(18,713,106)	(30,180)	(393,555)	(182,118)	(71,274)	(1,790,382)	—	(24,228,254)
Impairment	(946,205)	(2,114,016)	(1,577)	(76)	(152,426)	(23)	—	(602,014)	(3,816,337)
Transfer from construction in progress	8,007,318	13,080,374	82,270	317,434	1,818,694	68,759	994,277	(24,369,126)	—
Exchange realignment	(97,623)	(327,042)	4,675	614	(31,070)	(2,307)	—	—	(452,753)
Closing net carrying amount	56,522,165	51,794,473	169,534	993,923	2,953,344	155,614	4,593,980	29,754,703	146,937,736

As at 31 December 2024

Cost	66,146,133	113,452,434	339,815	2,605,653	3,335,095	431,861	8,390,164	30,195,280	224,896,435
Accumulated depreciation	(8,200,773)	(56,897,503)	(168,465)	(1,611,419)	(229,325)	(274,473)	(3,796,184)	—	(71,178,142)
Accumulated impairment	(1,423,195)	(4,760,458)	(1,816)	(311)	(152,426)	(1,774)	—	(440,577)	(6,780,557)
Closing net carrying amount	56,522,165	51,794,473	169,534	993,923	2,953,344	155,614	4,593,980	29,754,703	146,937,736

Notes:

- (a) Impairment of property, plant and equipment

Manufacture EV batteries (the “Battery CGUs”)

During the Track Record Period, management conducted the impairment assessments on certain Battery CGUs. The value-in-use calculations were based on the cash flow projections based on the latest financial budgets approved by management covering a five-year period. Management determines annual sales rate to be a key assumption as it is the main driver for revenue and costs in each period. The annual sales growth rate is determined based on past performance, management’s expectation of market development and the expected production capacity of the battery related assets. The pre-tax discount rate used reflects specific risks relating to the relevant business.

Battery mineral resources (the “Mining CGUs”)

During the Track Record Period, management performed impairment assessments of certain Mining CGUs. The recoverable amounts of the Mining CGUs had been determined based on value-in-use calculations using cash flow projections over the expected life of the mine, which based on budgeted sales and operating costs of the business and working capital needs that have taking into consideration of the future economic conditions, expected production capacity, ore reserve estimates, ore prices, cost of production over the expected life of the mine and the pre-tax discount rate.

- (b) The carrying amounts of the properties and buildings amounted to RMB18,111,472,000, RMB9,823,033,000 and RMB13,949,065,000 as at 31 December 2022, 2023 and 2024, respectively, are in the process of obtaining the property ownership certificates. The directors of the Company are of the opinion that the relevant certificates would be obtained in the near future, the Group is entitled to lawfully and validly occupy and use the buildings, and therefore the aforesaid matter did not have any significant impact on the Group’s consolidated statements of financial position as at 31 December 2022, 2023 and 2024.

The Group has pledged certain property, plant and equipment with the following carrying amounts to secure borrowings granted to the Group. Details of the Group’s assets pledged for the Group’s borrowings are disclosed in Note 40 to the Historical Financial Information.

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Properties and buildings	3,091,075	3,603,968	5,454,799
Machinery.	2,283,080	223,837	1,340,692
Construction in progress	254,070	1,139,761	334,977
Total	<u>5,628,225</u>	<u>4,967,566</u>	<u>7,130,468</u>

17. RIGHT-OF-USE ASSETS

The movements in the net carrying amount of the Group's right-of-use assets are analysed as follows:

	Prepaid lease payments	Leased properties and equipment	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2022	4,238,119	678,625	4,916,744
Additions	3,532,085	338,191	3,870,276
Disposals	(290)	(6,298)	(6,588)
Depreciation	(143,983)	(161,384)	(305,367)
As at 31 December 2022 and 1 January 2023	7,625,931	849,134	8,475,065
Additions	1,219,927	115,140	1,335,067
Disposals	(25,624)	(468,747)	(494,371)
Depreciation	(160,189)	(117,593)	(277,782)
Impairment	(21,576)	–	(21,576)
As at 31 December 2023 and 1 January 2024	8,638,469	377,934	9,016,403
Additions	1,200,160	774,017	1,974,177
Disposals	(214,577)	(22,683)	(237,260)
Depreciation	(229,522)	(239,273)	(468,795)
Impairment	(281,164)	–	(281,164)
As at 31 December 2024	9,113,366	889,995	10,003,361

Certain prepaid lease payments are pledged for the Group's borrowings, details are disclosed in Note 40 to the Historical Financial Information.

18. GOODWILL

The net carrying amount of goodwill can be analysed as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
<u>At the beginning of the year</u>			
Gross carrying amount	527,851	704,065	884,550
Accumulated impairment	–	–	(176,668)
	527,851	704,065	707,882
 Net carrying amount at the beginning of the year	527,851	704,065	707,882
Acquisition of subsidiaries (Note 47.1)	176,214	239,311	181,080
Impairment (Note (a))	–	(176,668)	–
Disposal of a subsidiary	–	(98,468)	–
Deregistration of a subsidiary	–	(25,612)	–
Exchange realignment	–	65,254	5,795
Net carrying amount at the end of the year	704,065	707,882	894,757
 <u>At the end of the year</u>			
Gross carrying amount	704,065	884,550	1,071,425
Accumulated impairment	–	(176,668)	(176,668)
	704,065	707,882	894,757

Notes:

- (a) At the end of each reporting period, the recoverable amounts of all CGUs have been assessed by management, which were determined based on value-in-use calculations covering a detailed five-year budget plan followed by an extrapolation of expected cash flows. The recoverable amounts for the CGUs, excluding one of the CGUs, were assessed to exceed their carrying amounts as at 31 December 2022, 2023 and 2024. Accordingly, no impairment loss has been recognised for these CGUs.

As at 31 December 2023, management reassessed the key assumptions for impairment testing of goodwill of that CGU. According to management's estimation of the recoverable amount of that CGU, an impairment loss of RMB176,668,000 was recognised.

The following describes each key assumption on which management has based its cash flow projections to undertake the impairment of these CGUs:

- (i) Revenue growth rate and terminal growth rate

Based on past performance and management's expectations for market development. For prudence sake, management considered the terminal growth rate as Nil for the CGUs.

- (ii) Pre-tax discount rate

The pre-tax discount rate used is before tax and reflects specific risk relating to the relevant unit.

- (b) Apart from the considerations described in determining the value-in-use of the CGUs above, management is not currently aware of any other probable changes that would necessitate changes in its key estimates and could cause the CGUs' carrying amounts to exceed their recoverable amounts.

19. INTANGIBLE ASSETS

	Patent rights and non-patented technologies	Software	Mining and exploration rights	Trademarks and domain names	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022					
Cost	344,481	341,397	–	62,730	748,608
Accumulated amortisation	(272,975)	(234,146)	–	–	(507,121)
Net carrying amount	71,506	107,251	–	62,730	241,487
Year ended 31 December 2022					
Opening net carrying amount	71,506	107,251	–	62,730	241,487
Additions	78,098	198,408	1,490,717	–	1,767,223
Disposals	–	(2,211)	–	–	(2,211)
Amortisation	(44,957)	(46,690)	(819)	–	(92,466)
Closing net carrying amount	104,647	256,758	1,489,898	62,730	1,914,033
As at 31 December 2022 and 1 January 2023					
Cost	422,579	501,817	1,490,717	62,730	2,477,843
Accumulated amortisation	(317,932)	(245,059)	(819)	–	(563,810)
Net carrying amount	104,647	256,758	1,489,898	62,730	1,914,033
Year ended 31 December 2023					
Opening net carrying amount	104,647	256,758	1,489,898	62,730	1,914,033
Additions (<i>Note (a)</i>)	490,525	193,137	6,454,813	–	7,138,475
Disposals	(9,750)	(1,351)	–	–	(11,101)
Amortisation	(56,789)	(100,639)	(13,375)	–	(170,803)
Impairment (<i>Note (b)</i>)	–	–	(1,833,197)	–	(1,833,197)
Closing net carrying amount	528,633	347,905	6,098,139	62,730	7,037,407
As at 31 December 2023 and 1 January 2024					
Cost	897,323	693,219	7,945,530	62,730	9,598,802
Accumulated amortisation	(368,690)	(345,314)	(14,194)	–	(728,198)
Accumulated impairment	–	–	(1,833,197)	–	(1,833,197)
Net carrying amount	528,633	347,905	6,098,139	62,730	7,037,407
Year ended 31 December 2024					
Opening net carrying amount	528,633	347,905	6,098,139	62,730	7,037,407
Additions	10,959	142,635	127,148	–	280,742
Disposals	(718)	(37)	(34,162)	–	(34,917)
Amortisation	(98,114)	(116,460)	(26,306)	–	(240,880)
Impairment (<i>Note (b)</i>)	–	–	(1,735,914)	–	(1,735,914)
Closing net carrying amount	440,760	374,043	4,428,905	62,730	5,306,438
As at 31 December 2024					
Cost	907,807	789,929	8,036,588	62,730	9,797,054
Accumulated amortisation	(467,047)	(415,886)	(38,572)	–	(921,505)
Accumulated impairment	–	–	(3,569,111)	–	(3,569,111)
Closing net carrying amount	440,760	374,043	4,428,905	62,730	5,306,438

Notes:

- (a) The additions during the year ended 31 December 2023 were mainly due to the acquisition of assets from Yajiang Snowway Mining Development Co., Ltd. (雅江縣斯諾威礦業發展有限公司) (“Snowway Mining”) amounted to RMB5,860,546,000. Details are disclosed in Note 47.2 to the Historical Financial Information.
- (b) As at 31 December 2023 and 2024, management determined that the mining and exploration rights of certain subsidiaries were impaired due to the market price of the materials has dropped significantly and therefore, management had performed impairment assessments on certain Mining CGUs for these reporting periods. The recoverable amounts of these Mining CGUs were measured based on value-in-use calculations using cash flow projections based on financial budgets approved by management.

The following describes each key assumption on which management has based on its cash flow projections to undertake the impairment testing of these Mining CGUs:

- (i) Pre-tax discount rate

The pre-tax discount rate used is before tax and reflects specific risks relating to the relevant unit. The pre-tax discount rates applied to the cash flow projections are ranging from approximately 12% to 15% and 11% to 15% for the years ended 31 December 2023 and 2024, respectively.

- (ii) Revenue growth rate

The revenue growth rate is based on the productive capacity.

- (iii) Projection period

The projection period is ranging from approximately 13 to 15 years and 16 years for the years ended 31 December 2023 and 2024, respectively, which determined on a comprehensive basis based on the recoverable reserves of the mine owned by the Group and the Group's production capacity.

- (c) Certain intangible assets are pledged for the Group's borrowings, details are disclosed in Note 40 to the Historical Financial Information.

20. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

(a) Investments in associates

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Unlisted investments	13,957,194	16,953,481	20,057,420
Listed investments	2,918,368	32,014,354	33,269,611
	<u>16,875,562</u>	<u>48,967,835</u>	<u>53,327,031</u>
At the beginning of the year	9,569,932	16,875,562	48,967,835
Additions (<i>Note (i)</i>)	4,317,177	31,292,971	1,721,837
Disposals	(167,768)	(2,060,741)	(967,541)
Share of results, net.	2,622,188	3,589,347	3,819,224
Share of other comprehensive (loss)/income, net .	(56,198)	524,934	(142,210)
Share of non-controlling interest	–	138,609	(58,848)
Gains on deemed disposal of investments in associates.	–	581,001	1,288,165
Change in other equity	–	766,860	34,369
Dividends declared	(296,062)	(1,780,523)	(1,330,351)
Exchange realignment	107,516	(21,955)	137,663
Unrealised profit/(loss)	778,777	(442,991)	221,991
Less: impairment loss	–	(495,239)	(365,103)
At the end of the year	<u>16,875,562</u>	<u>48,967,835</u>	<u>53,327,031</u>

Notes:

- (i) The Group's investments in associates mainly included the investments in CMOC Group Limited. Details of the investments in CMOC Group Limited are disclosed in Note 47.2 to the Historical Financial Information. The acquisition was completed on 10 March 2023. CMOC Group Limited is a public listed company, and the Group as the second-largest shareholder, management believes it has significant influence over the associate. In the opinion of the directors, except for CMOC Group Limited, there is no other investment in associate that is individually material to the Group.
- (ii) Management has assessed the level of influence that the Group exercises on other associates and determined that it has significant influence through the board representation and other relevant facts and circumstances, even though the respective shareholding of some investments is below 20%. Accordingly, these investments have been classified as associates.
- (iii) There were no material contingent liabilities relating to the Group's investments in associates.

CMOC Group Limited has published its consolidated financial statements for public use at the website of the Stock Exchange. The proportion of the Group's ownership to the associate is 24.68% as at 31 December 2023 and 2024, and the carrying amount of the Group's investment in the associate is reconciled by the Group's share of net assets of the associate and the fair value uplift and other adjustments.

The following table illustrates the aggregated financial information of associates that are not individually material:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Aggregate carrying amount of individually immaterial associates	16,875,562	20,052,713	22,275,878
Share of results, net.	2,622,188	1,700,532	1,105,095
Share of total comprehensive income	2,565,990	1,697,685	81,864

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Unlisted investments	10,753,264	10,168,524	10,516,882
Listed investments.	2,722,081	2,889,763	2,097,690
	13,475,345	13,058,287	12,614,572
At the beginning of the year	9,667,499	13,475,345	13,058,287
Additions	2,352,528	665,600	167,880
Disposals	(48,035)	(1,679,340)	(846,523)
Share of results, net.	1,816,911	559,776	(419,224)
Share of other comprehensive (loss)/income, net	(56,198)	(2,474)	81,553
Gains on deemed disposal of investments in associates.	–	450,163	1,044,115
Change in other equity	–	601,288	–
Dividends declared	(257,360)	(616,280)	(106,413)
Less: impairment loss	–	(395,791)	(365,103)
At the end of the year	13,475,345	13,058,287	12,614,572

(b) Investments in joint ventures

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
<u>Unlisted investments</u>			
At the beginning of the year	1,379,101	719,645	1,059,859
Additions	58,070	145,000	772,361
Disposals	(37,693)	–	(87,840)
Share of results, net.	(7,671)	156,415	(76,184)
Change in other equity	–	38,799	4,551
Dividends declared	–	–	(7,353)
Transfer to a subsidiary (<i>Note (iii)</i>)	(672,162)	–	(200,900)
At the end of the year	<u>719,645</u>	<u>1,059,859</u>	<u>1,464,494</u>

Notes:

- (i) The joint venture companies of the Group and its financial results were accounted for in the Historical Financial Information of the Group using the equity method.
- (ii) Investments in joint ventures of the Group are mainly the investments in Fujian Contemporary Mindong New Energy Industry Equity Investment Partnership (Limited Partnership) and Fujian Contemporary Zeyuan Equity Investment Fund Partnership (Limited Partnership).
- (iii) During the year ended 31 December 2022, a joint venture amended its articles of association, changing the requirement for major decisions from needing the consent of all shareholders to being determined by shareholding proportions. Since the Group holds 54% of equity interests in the joint venture, the joint venture became a subsidiary of the Group and its financial statements were consolidated for the year ended 31 December 2022.

During the year ended 31 December 2024, the Group acquired additional equity interests of 47.78% in one of the joint ventures for a consideration of RMB299,433,000. Following this acquisition, the Group's equity interests in the joint venture increased from 46.66% to 94.44% and obtained the control in the joint venture. The joint venture became a subsidiary of the Group and its financial statements were consolidated for the year ended 31 December 2024.

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
<u>Unlisted investments</u>			
At the beginning of the year	1,386,464	691,752	1,031,966
Additions	21,906	145,000	720,818
Disposals	(36,716)	–	(87,680)
Share of results, net.	(7,740)	156,415	(75,150)
Change in other equity	–	38,799	–
Dividends declared	–	–	(6,832)
Transfer to a subsidiary	(672,162)	–	(200,900)
At the end of the year	<u>691,752</u>	<u>1,031,966</u>	<u>1,382,222</u>

21. FINANCIAL ASSETS AT FVTPL

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Non-current			
Equity investments at fair value (<i>Note (a)</i>).	2,645,307	2,816,190	3,135,658
Current			
Wealth management products and structured deposits (<i>Note (b)</i>)	1,981,328	7,767	14,282,253
	4,626,635	2,823,957	17,417,911

Notes:

- (a) Financial assets at FVTPL comprise unlisted equity securities which are held for trading.
- (b) The wealth management products are managed by licensed financial institutions to invest principally in certain financial assets.

22. FINANCIAL ASSETS AT FVTOCI

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Non-current			
Equity investments at fair value (<i>Note (a)</i>).	20,491,264	14,128,318	11,900,901
Current			
Trade and bills receivables measured at FVTOCI (<i>Note (b)</i>)	18,965,715	55,289,319	53,309,701
	39,456,979	69,417,637	65,210,602

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Non-current			
Equity investments at fair value (<i>Note (a)</i>).	6,101,553	4,473,126	4,528,748
Current			
Trade and bills receivables measured at FVTOCI (<i>Note (b)</i>)	14,553,639	51,716,459	49,145,249
	20,655,192	56,189,585	53,673,997

Notes:

- (a) Financial assets at FVTOCI comprise listed and unlisted equity investments which are not held for trading.

- (b) Certain bills held by the Group and the Company for the practice of discounting/endorsing to financial institutions/suppliers before the bills maturity date were classified as “trade and bills receivables measured at FVTOCI” under financial assets at FVTOCI in the consolidated statements of financial position. At the end of each reporting period, all the bills are with a maturity period of less than 12 months. The Group and the Company consider the credit risk is limited because counterparties are financial institutions with good credit standing and are highly likely to be paid, and the ECL are considered as insignificant.

Transfer of all derecognised financial assets

During the Track Record Period, the Group and the Company (i) endorsed certain bills receivable for the settlement of trade and other payables; and (ii) discounted certain bills receivable to banks for raising of cash. In the opinion of the directors, the Group and the Company have transferred the significant risks and rewards relating to these bills receivable, and the Group's and the Company's obligations to the corresponding counterparties were discharged in accordance with the commercial practice in the PRC and the risk of default in payment of the endorsed and discounted bills receivable is low because all endorsed and discounted bills receivable are issued and guaranteed by the reputable PRC banks. As a result, the relevant assets and liabilities were not recognised in the Historical Financial Information. The maximum exposure to the Group and the Company that may result from the default of these endorsed and discounted bills receivable at the end of each reporting period are RMB61,371,389,000 and RMB49,995,690,000, RMB23,735,684,000 and RMB8,795,284,000, and RMB35,348,142,000 and RMB13,172,956,000, respectively.

23. INVENTORIES

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Raw materials	5,196,430	5,055,901	11,427,292
Work in progress	15,716,914	10,080,744	11,788,174
Finished goods	59,504,149	33,609,112	38,994,567
Costs to fulfil a contract	1,317,956	1,271,307	3,684,683
	81,735,449	50,017,064	65,894,716
Less: provision for impairment (<i>Note</i>)	(5,066,550)	(4,583,174)	(6,059,183)
	76,668,899	45,433,890	59,835,533

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Raw materials	1,229,306	449,358	4,269,682
Work in progress	9,028,112	5,159,789	3,968,288
Finished goods	34,741,755	20,624,681	24,574,766
Costs to fulfil a contract	1,211,728	1,146,344	3,531,952
	46,210,901	27,380,172	36,344,688
Less: provision for impairment loss (<i>Note</i>).	(3,922,206)	(3,363,917)	(3,974,988)
	42,288,695	24,016,255	32,369,700

Note: The Group and the Company review the condition of inventories and make allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable or suitable for use in production. The Group and the Company carry out the inventory review at the end of each reporting period on a product-by-product basis and make allowance by reference to the latest market prices and current market conditions.

24. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Trade receivables	59,797,036	66,065,457	66,776,402
Less: ECL allowance	(1,830,519)	(2,044,923)	(2,640,892)
Trade receivables, net	57,966,517	64,020,534	64,135,510
Bills receivable	3,526,084	1,751,724	130,403
	61,492,601	65,772,258	64,265,913

Certain trade and bills receivables are pledged as security for the Group's borrowings, details are disclosed in Note 40 to the Historical Financial Information.

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Trade receivables	65,670,980	69,980,342	72,225,597
Less: ECL allowance	(1,748,490)	(1,917,665)	(2,256,537)
Trade receivables, net	63,922,490	68,062,677	69,969,060
Bills receivable	1,541,884	40,372	–
	65,464,374	68,103,049	69,969,060

The credit period granted to customers is generally within 60 days during the Track Record Period.

The aging analysis of trade receivables (based on date of revenue recognition), net of ECL allowance, is as follows:

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
0 – 90 days	53,359,623	59,991,749	59,868,001
91 – 365 days	4,541,406	3,448,307	3,850,339
Over 365 days	65,488	580,478	417,170
	57,966,517	64,020,534	64,135,510

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
0 – 90 days	54,077,133	52,363,002	50,794,094
91 – 365 days	8,283,695	10,920,525	9,105,465
Over 365 days	1,561,662	4,779,150	10,069,501
	<u>63,922,490</u>	<u>68,062,677</u>	<u>69,969,060</u>

Movements in ECL allowance on trade receivables are as follows:

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
At the beginning of the year	684,135	1,830,519	2,044,923
ECL allowance recognised, net (<i>Note</i>)	1,148,889	214,676	611,041
Written off	(2,105)	–	(13,998)
Exchange realignment	(400)	(272)	(1,074)
At the end of the year	<u>1,830,519</u>	<u>2,044,923</u>	<u>2,640,892</u>

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
At the beginning of the year	650,912	1,748,490	1,917,665
ECL allowance recognised, net (<i>Note</i>)	1,099,557	169,175	352,751
Written off	(1,979)	–	(13,879)
At the end of the year	<u>1,748,490</u>	<u>1,917,665</u>	<u>2,256,537</u>

As at 31 December 2022, 2023 and 2024, all the Group's and the Company's bills receivable are neither past due nor impaired. The Group and the Company expect that there is no significant credit risk associated with bills receivable since they are held with state-owned or reputable banks in the PRC. The directors do not expect that there will be any significant credit losses from non-performance by these counterparties. No provision for loss allowance was made during the Track Record Period.

Note: During the Track Record Period, certain of the Group's and the Company's trade receivables with aging over three years were fully impaired.

25. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Contract assets	184,570	266,257	450,546
Less: ECL allowance	(9,707)	(32,293)	(49,920)
	<u>174,863</u>	<u>233,964</u>	<u>400,626</u>

Contract assets primarily arise from the sales of battery-related business. Contract assets represent the rights to receive considerations for the transfer of goods to customers. Contract assets arise when the fulfilment of performance obligations is earlier than the progress payments agreed in the contract, which would be transferred to trade receivables when the contract meets the conditions for unconditional rights to receive payments.

The Group provides customers to retain a certain percentage of the contract value in retention period. This amount is included in “contract assets” as the Group’s entitlement to this final payment is conditional on the Group’s satisfactory work until the end of retention period.

(b) Contract liabilities

Contract liabilities represent to the obligation to transfer goods to customers in consideration of payments received or receivable from customers. Contract liabilities are incurred when the payment schedule agreed under the contract is ahead of the performance of contract obligations.

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Contract liabilities			
Current	22,444,785	23,982,352	27,834,446
Non-current	6,910,284	6,093,840	5,400,795
	<u>29,355,069</u>	<u>30,076,192</u>	<u>33,235,241</u>

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Contract liabilities			
Current	23,232,269	24,060,818	25,228,351

The Group and the Company receive payments of the contract from customers based on billing schedule as set out in the contracts for providing new energy applications including EV batteries, ESS batteries, sales of battery materials and recycling.

Majority of contract liabilities at the beginning of each reporting period were recognised as revenue during the Track Record Period.

26. PREPAYMENTS, DEPOSITS AND OTHER ASSETS

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Non-current			
Deposits (<i>Note (a)</i>)	7,913,875	8,779,715	8,910,741
Finance lease receivables	44,316	9,840	151,342
Prepayment on construction and equipment	11,766,627	8,077,426	8,504,151
Prepayment for inventories (<i>Note (a)</i>)	4,097,041	3,170,453	1,732,644
Others	1,323,774	1,117,479	127,947
	<u>25,145,633</u>	<u>21,154,913</u>	<u>19,426,825</u>
Current			
Deposits and other assets	8,792,816	3,648,556	2,590,956
Prepayments (<i>Note (b)</i>)	15,843,284	6,962,873	5,969,685
Finance lease receivables	403,712	56,828	72,972
Interest receivables	903,595	2,595,682	5,268,637
Prepaid corporate income tax	360,193	349,675	37,804
Other tax receivables (<i>Note (c)</i>)	11,360,316	7,863,809	6,199,640
Others	186,519	72,540	49,021
Less: ECL allowance	(114,436)	(209,992)	(384,009)
	<u>37,735,999</u>	<u>21,339,971</u>	<u>19,804,706</u>
	<u><u>62,881,632</u></u>	<u><u>42,494,884</u></u>	<u><u>39,231,531</u></u>

Notes:

- (a) As at 31 December 2022, 2023 and 2024, there are prepayment for inventories due from an associate of RMBNil, RMB3,170,453,000 and RMB1,732,644,000, respectively and deposits due from an associate of RMBNil, RMB8,779,715,000 and RMB8,910,741,000 respectively.
- (b) The Group had made advance payments for purchase of inventories to secure the inventory supply. These advance payments are expected to be realised within twelve months from the end of the reporting period.
- (c) The amounts represent prepaid tax and surcharges levied.

The movements on the ECL allowance of deposits and other assets are as follows:

	Stage 1	Stage 2	Stage 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2022	25	–	117,028	117,053
Provision/(Reversal)	140	–	(2,781)	(2,641)
Addition through acquisition of subsidiaries	184	–	–	184
Written off	(160)	–	–	(160)
As at 31 December 2022 and 1 January 2023	189	–	114,247	114,436
Provision/(Reversal)	53,612	–	(14,247)	39,365
Addition through acquisition of subsidiaries	48,121	–	8,070	56,191
As at 31 December 2023 and 1 January 2024	101,922	–	108,070	209,992
Provision	243,737	–	17,748	261,485
Written off	(87,055)	–	–	(87,055)
Exchange realignment	(413)	–	–	(413)
As at 31 December 2024.	258,191	–	125,818	384,009

The Company

The Company's prepayments, deposits and other assets mainly comprise prepayment for inventories, deposits, prepayments and other tax receivables.

27. DERIVATIVE FINANCIAL INSTRUMENTS

The Group's derivative financial instruments are measured at fair value and are summarised below:

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash flow hedge			
– Foreign exchange risk contracts	597,912	(1,934,010)	(1,813,628)
– Commodity price risk contracts	(22,274)	(49,262)	(2,962)
	575,638	(1,983,272)	(1,816,590)
Fair value hedge			
– Foreign exchange risk contracts	–	(1,958,138)	(299,427)
	575,638	(3,941,410)	(2,116,017)

(a) Cash flow hedge

The Group uses foreign exchange risk contracts to mitigate exchange rate exposure arising from forecast sales and purchase and commodity price risk contracts that meet the definition of a derivatives as defined by IFRS 9, to mitigate commodity price risk exposure arising from price fluctuation in raw materials related to production of products on the Group's business. The hedging ineffectiveness for both foreign exchange risk contracts and commodity price risk contracts during the Track Record Period were insignificant.

The hedge relationships relate to the foreign currency risk and commodity price risk arising from the highly probable sales and purchase transactions and the resulting receivable, payable and inventory. Reclassification to profit or loss occurs at the time of the associated transactions being recognised and then further movements to profit or loss to match the retranslation of the associated receivable, payable and inventory.

(b) Fair value hedge

The Group uses foreign exchange risk contracts to manage its exposure to foreign exchange rate fluctuations, mainly to mitigate the currency risk of cash and cash equivalents that denominated in foreign currency. The hedged items and the hedging instruments are denominated in the same currency and as a result the hedging instruments are considered as highly effective hedging instruments. The hedging ineffectiveness for the Track Record Period were insignificant.

(c) Hedging relationships

The potential sources of ineffectiveness result from either (i) differences between the timing of the cash flows of the hedged item and hedging instrument and potential credit risk or (ii) over-hedging may volumes of highly probable transactions fall below hedged amounts. The likelihood of the above factors is low. At the current time, no significant ineffectiveness has arisen from the above factors.

28. BANK BALANCES, DEPOSITS AND CASH

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	157,629,318	238,165,487	270,159,734
Time deposits and restricted cash (<i>Note</i>)	32,510,497	23,545,346	28,083,622
	<u>190,139,815</u>	<u>261,710,833</u>	<u>298,243,356</u>

Note: Time deposits and restricted cash include bank deposits with original maturities over three months and due within one year and guarantee deposits for letter of bank acceptance notes, letters of guarantee, letters of credit and issuance of bills payable. Certain restricted cash is pledged as security for the Group's borrowings, details are disclosed in Note 40 to the Historical Financial Information.

The Company

The Company's bank balances, deposits and cash mainly comprise cash and cash equivalents, time deposits and restricted cash.

29. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority.

The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Deferred tax assets	9,483,660	17,395,585	24,118,834
Deferred tax liabilities	(1,807,813)	(1,364,906)	(1,231,236)
	<u>7,675,847</u>	<u>16,030,679</u>	<u>22,887,598</u>
At the beginning of the year	4,503,979	7,675,847	16,030,679
Recognised in profit or loss (<i>Note 12</i>)	4,441,682	7,652,592	6,380,013
(Reversed)/Recognised in other comprehensive income	(527,153)	806,036	627,333
Others	<u>(742,661)</u>	<u>(103,796)</u>	<u>(150,427)</u>
At the end of the year	<u>7,675,847</u>	<u>16,030,679</u>	<u>22,887,598</u>

(a) Deferred tax assets

The Group

The movements in deferred tax assets during the Track Record Period are as follows:

	Tax losses	Loss allowance and impairment provision	Employee benefits	Accrued expenses	Provisions	Deferred income	Fair value change of financial assets at FVTOCI	Amortisation and depreciation	Unrealised profit on intra-group transactions	Others	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
As at 1 January 2022	133,851	598,208	2,051,816	156,615	1,534,766	420,899	14,689	459,650	138,245	33,816	5,542,555
Recognised/(Reversed) in profit or loss	292,830	613,666	547,574	(41,821)	1,494,028	750,720	—	74,782	723,474	104,602	4,559,855
Recognised/(Reversed) in other comprehensive income	—	—	—	—	—	—	186,621	—	—	(62,710)	123,911
Others	—	—	(671,109)	—	—	—	—	—	—	(71,552)	(742,661)
As at 31 December 2022 and 1 January 2023	426,681	1,211,874	1,928,281	114,794	3,028,794	1,171,619	201,310	534,432	861,719	4,156	9,483,660
Recognised in profit or loss	380,872	455,774	807,199	124,240	4,615,630	811,152	—	438,697	137,298	38,176	7,809,038
(Reversed)/Recognised in other comprehensive income	—	—	—	—	—	—	(89,707)	—	—	296,390	206,683
Others	—	—	(439,805)	—	—	—	—	—	—	336,009	(103,796)
As at 31 December 2023 and 1 January 2024	807,553	1,667,648	2,295,675	239,034	7,644,424	1,982,771	111,603	973,129	999,017	674,731	17,395,585
Recognised/(Reversed) in profit or loss	509,848	128,280	916,689	134,868	3,151,252	734,086	—	692,983	617,991	(185,638)	6,700,359
Recognised/(Reversed) in other comprehensive income	—	—	—	—	—	—	242,388	—	—	(69,071)	173,317
Others	—	—	(183,642)	—	—	—	—	—	—	33,215	(150,427)
As at 31 December 2024	1,317,401	1,795,928	3,028,722	373,902	10,795,676	2,716,857	353,991	1,666,112	1,617,008	453,237	24,118,834

The Company

The movements in deferred tax assets during the Track Record Period are as follows:

	Loss allowance and impairment provision	Employee benefits	Accrued expenses	Provisions	Deferred income	Fair value change of financial assets at FVTOCI	Amortisation and depreciation	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	530,010	2,004,135	156,612	1,417,301	–	10,130	178,938	2,439	4,299,565
Recognised/(Reversed) in profit or loss	411,768	427,123	(54,284)	1,174,349	–	(8,702)	24,357	73	1,974,684
Reversed in other comprehensive income	–	–	–	–	–	(892)	–	–	(892)
Others	–	(671,109)	–	–	–	–	–	–	(671,109)
As at 31 December 2022 and 1 January 2023	941,778	1,760,149	102,328	2,591,650	–	536	203,295	2,512	5,602,248
Recognised/(Reversed) in profit or loss	28,644	632,002	(6,659)	4,348,628	30,083	37,243	129,036	417,020	5,615,997
Recognised in other comprehensive income	–	–	–	–	–	15,226	–	210,786	226,012
Others	–	(439,805)	–	–	–	–	–	–	(439,805)
As at 31 December 2023 and 1 January 2024	970,422	1,952,346	95,669	6,940,278	30,083	53,005	332,331	630,318	11,004,452
Recognised/(Reversed) in profit or loss	25,335	565,638	129,334	2,508,234	36,151	–	(13,732)	(198,525)	3,052,435
Reversed in other comprehensive income	–	–	–	–	–	(44,191)	–	(21,597)	(65,788)
Others	–	(183,642)	–	–	–	–	(311,068)	–	(494,710)
As at 31 December 2024	995,757	2,334,342	225,003	9,448,512	66,234	8,814	7,531	410,196	13,496,389

(b) Deferred tax liabilities

The movements in deferred tax liabilities during the Track Record Period are as follows:

	Appreciation of assets acquired in business combinations	Fair value change of financial assets at FVTOCI	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	20,944	998,877	18,755	1,038,576
Recognised in profit or loss	52,129	–	66,044	118,173
Recognised in other comprehensive income	–	651,064	–	651,064
As at 31 December 2022 and 1 January 2023	73,073	1,649,941	84,799	1,807,813
Recognised in profit or loss	29,329	–	127,117	156,446
Reversed in other comprehensive income	–	(599,353)	–	(599,353)
As at 31 December 2023 and 1 January 2024	102,402	1,050,588	211,916	1,364,906
Recognised in profit or loss	8,023	–	312,323	320,346
Reversed in other comprehensive income	–	(454,016)	–	(454,016)
As at 31 December 2024	110,425	596,572	524,239	1,231,236

(c) Deferred tax assets not recognised

Deferred tax assets should be recognised when it is probable that taxable profits or taxable temporary differences will be available against which the deferred tax asset can be utilised. Temporary differences will not be recognised as deferred tax assets if management estimates that they will not be recovered from taxable profits generated from continuing operations in the foreseeable future. The following table sets forth the tax losses and deductible temporary differences which were not recognised as deferred tax assets at the end of each reporting period:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Tax losses	2,371,110	4,664,733	6,149,671
Deductible temporary differences	241,036	3,676,118	9,039,818
	2,612,146	8,340,851	15,189,489

The Group has unused tax losses of RMB2,371,110,000, RMB4,664,733,000 and RMB6,149,671,000 as at 31 December 2022, 2023 and 2024, respectively, available for offset against future profits. No deferred tax asset has been recognised for these tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of RMB531,885,000, RMB184,974,000 and RMBNil, respectively, can be carried forward indefinitely.

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
2023	17,136	–	–
2024	83,124	81,159	–
2025	112,400	66,229	12,917
2026	556,779	420,739	201,446
2027 and beyond	1,601,671	N/A	N/A
2027	N/A	1,124,087	744,617
2028 and beyond	–	2,972,519	N/A
2028	–	–	1,741,658
2029 and beyond	–	–	3,449,033
	<u>2,371,110</u>	<u>4,664,733</u>	<u>6,149,671</u>

30. TRADE AND BILLS PAYABLES

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Trade payables			
– that are not part of SFA	52,588,255	58,311,364	67,757,752
– that are part of SFA (Note 38)	12,929,789	31,999,446	44,362,409
	<u>65,518,044</u>	<u>90,310,810</u>	<u>112,120,161</u>
Bills payable	126,229,468	77,514,941	67,356,323
	<u>191,747,512</u>	<u>167,825,751</u>	<u>179,476,484</u>

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Trade payables (including SFA)	59,703,514	92,302,821	102,694,704
Bills payable	99,327,776	52,680,163	50,701,433
	<u>159,031,290</u>	<u>144,982,984</u>	<u>153,396,137</u>

The credit period granted by suppliers is generally within 90 days. At the end of each reporting period, there were no significant trade payables aged over 1 year (on invoice date basis).

At the end of each reporting period, no matured bills payable were unpaid.

Details of the Group's assets pledged for the Group's bills payable are disclosed in Note 40 to the Historical Financial Information.

31. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Non-current			
Deferred income	19,966,702	21,448,987	22,041,069
Premium payables on acquiring mining rights . . .	–	170,256	156,480
Redemption liability (<i>Note (a)</i>)	–	25,247,626	–
	<u>19,966,702</u>	<u>46,866,869</u>	<u>22,197,549</u>
Current			
Accrued expenses (<i>Note (b)</i>)	3,077,310	3,258,954	4,541,876
Construction and equipment payables	29,016,932	26,727,963	18,857,247
Dividend payables	8,320	29,916	5,400,161
Deposits received	8,055,298	8,763,865	4,478,969
Employee benefits payables	9,476,018	14,846,251	18,653,079
Other tax liabilities	2,197,550	3,712,029	3,447,398
Premium payables on acquiring mining rights . . .	–	23,740	21,582
Others	3,873,145	1,601,269	1,740,918
	<u>55,704,573</u>	<u>58,963,987</u>	<u>57,141,230</u>
	<u>75,671,275</u>	<u>105,830,856</u>	<u>79,338,779</u>

Notes:

- (a) It mainly represents redemption liability arising from the transaction with non-controlling interests in respect of the put option arrangement. Details of the acquisition of the subsidiary are disclosed in Note 47.2 to the Historical Financial Information.
- (b) Accrued expenses mainly comprise payables to transportation companies and accrued water and electricity charges.

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Non-current			
Deferred income	614,668	570,785	705,408
Current			
Accrued expenses	1,652,650	1,689,854	2,606,910
Amounts due to subsidiaries	2,142,341	5,499,462	4,809,999
Construction and equipment payables	4,303,641	2,418,932	1,127,422
Dividend payables	8,320	6,976	5,400,161
Deposits received	7,052,965	7,762,763	4,272,821
Employee benefits payables	7,116,679	10,887,193	14,038,319
Other tax liabilities	1,979,051	2,369,475	2,269,446
Others	2,163,745	103,528	225,143
	<u>26,419,392</u>	<u>30,738,183</u>	<u>34,750,221</u>
	<u>27,034,060</u>	<u>31,308,968</u>	<u>35,455,629</u>

32. BORROWINGS

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Pledged borrowings (<i>Note (b)</i>)	452,784	653,643	554,816
Mortgaged borrowings (<i>Note (b)</i>)	5,038,093	5,328,538	6,011,659
Mortgaged and guaranteed borrowings (<i>Notes (b), (c)</i>)	5,668,290	9,266,159	10,840,360
Guaranteed borrowings (<i>Note (c)</i>)	27,134,448	36,492,569	36,444,429
Credit borrowings	38,935,167	53,523,844	62,215,700
Secured other borrowings	1,343,578	1,383,435	1,483,457
Corporate bonds (<i>Note (d)</i>)	22,289,408	19,447,655	19,434,396
Total borrowings.	100,861,768	126,095,843	136,984,817
Less: current portion			
Pledged borrowings (<i>Note (b)</i>)	452,784	300,203	97,159
Mortgaged borrowings (<i>Note (b)</i>)	698,411	493,174	958,614
Mortgaged and guaranteed borrowings (<i>Notes (b), (c)</i>)	208,626	131,100	881,289
Guaranteed borrowings (<i>Note (c)</i>)	3,475,266	3,006,073	2,968,507
Credit borrowings	13,294,337	17,885,221	29,922,939
Secured other borrowings	293,578	33,435	33,457
Corporate bonds (<i>Note (d)</i>)	3,111,519	210,641	7,511,773
	21,534,521	22,059,847	42,373,738
	79,327,247	104,035,996	94,611,079

As at 31 December 2022, 2023 and 2024, the borrowings bear effective interest rates from 0.65% to 6.25%, 1.20% to 6.33% and 1.74% to 5.48% per annum, respectively.

Notes:

- (a) Bank's credit facilities amounted to RMB164,031,649,000, RMB337,257,824,000 and RMB344,097,014,000 had not been utilised as at 31 December 2022, 2023 and 2024 respectively.
- (b) Pledged borrowings were mainly secured by trade and bills receivables; and mortgaged borrowings were mainly secured by property, plant and equipment, prepaid lease payments and intangible assets. Details of the Group's assets pledged for the Group's borrowings are disclosed in Note 40 to the Historical Financial Information.
- (c) The amounts were guaranteed by the Company and certain subsidiaries within the Group.

(d) The details of corporate bonds are as follows:

As at 31 December 2022

Bond name	Par value RMB '000	Interest rate %	Issue date	Bond term	Issuance amount RMB '000	Balance at the beginning RMB '000	Issuance during the year RMB '000	Accrued interest RMB '000	Premium discount amortisation RMB '000	Redemption RMB '000	Balance as carry forward RMB '000	Breach the contract
19CATL01 (Notes (i), (iv), (v))	1,500,000	3.68%, 2.55%	25 October 2019	5 years	1,500,000	1,512,554	–	56,093	(13,100)	(1,345,200)	210,347	No
20CATL01 (Notes (i), (iv), (v))	3,000,000	3.63%	15 January 2020	5 years	3,000,000	3,106,564	–	108,900	4,955	(108,900)	3,111,519	No
22寧德時代GN001 (Notes (ii), (v))	5,000,000	2.90%	12 December 2022	5 years	5,000,000	–	5,000,000	12,083	(1,754)	–	5,010,329	No
CON RD B2509 and CON RD B3009 (Note (iii))	9,787,350	1.875%, 2.625%	10 September 2020	5 years and 10 years	9,787,350	9,569,493	–	221,997	909,469	(221,997)	10,478,962	No
CON RD B2609 (Note (iii))	3,187,850	1.50%	2 September 2021	5 years	3,187,850	3,178,995	–	52,235	299,256	(52,235)	3,478,251	No
						17,367,606	5,000,000	451,308	1,198,826	(1,728,332)	22,289,408	

As at 31 December 2023

Bond name	Par value RMB'000	Interest rate %	Issue date	Bond term	Issuance amount RMB'000	Balance at the beginning RMB'000	Issuance during the year RMB'000	Accrued interest RMB'000	Premium discount amortisation RMB'000	Redemption RMB'000	Balance as carry forward RMB'000	Breach the contract
19CATL01 (Notes (i), (iv), (v))	1,500,000	3.68%, 2.55%	25 October 2019	5 years	1,500,000	210,347	–	5,354	295	(5,355)	210,641	No
20CATL01 (Notes (i), (iv), (v))	3,000,000	3.63%	15 January 2020	5 years	3,000,000	3,111,519	–	9,075	(11,694)	(3,108,900)	–	No
22寧德時代GN001 (Notes (ii), (v))	5,000,000	2.90%	12 December 2022	5 years	5,000,000	5,010,329	–	145,000	337	(145,000)	5,010,666	No
CON RD B2509 and CON RD B3009 (Note (iii))	9,787,350	1.875%, 2.625%	10 September 2020	5 years and 10 years	9,787,350	10,478,962	–	225,761	204,333	(225,761)	10,683,295	No
CON RD B2609 (Note (iii))	3,187,850	1.50%	2 September 2021	5 years	3,187,850	3,478,251	–	53,120	64,802	(53,120)	3,543,053	No
						22,289,408	–	438,310	258,073	(3,538,136)	19,447,655	

As at 31 December 2024

Bond name	Par value RMB'000	Interest rate %	Issue date	Bond term	Issuance amount RMB'000	Balance at the beginning RMB'000	Issuance during the year RMB'000	Accrued interest RMB'000	Premium discount amortisation RMB'000	Redemption RMB'000	Balance as carry forward RMB'000	Breach the contract
19CATL01 (Notes (i), (iv), (v))	1,500,000	3.68%, 2.55%	25 October 2019	5 years	1,500,000	210,641	–	4,463	251	(215,355)	–	No
22寧德時代GN001 (Notes (ii), (v))	5,000,000	2.90%	12 December 2022	5 years	5,000,000	5,010,666	–	145,000	347	(145,000)	5,011,013	No
CON RD B2509 and CON RD B3009 (Note (iii))	9,787,350	1.875%, 2.625%	10 September 2020	5 years and 10 years	9,787,350	10,683,295	–	229,130	138,153	(229,130)	10,821,448	No
CON RD B2609 (Note (iii))	3,187,850	1.50%	2 September 2021	5 years	3,187,850	3,543,053	–	53,913	58,882	(53,913)	3,601,935	No
						19,447,655	–	432,506	197,633	(643,398)	19,434,396	

Notes:

- (i) The bonds were listed on Shenzhen Stock Exchange.
- (ii) The bond was issued on the China Interbank Bond Market.
- (iii) The bonds were listed on the Stock Exchange.
- (iv) The Company has the right to decide whether to adjust the coupon rate for the subsequent two years at the end of the third year of the bond's duration. The Company will announce whether to adjust the coupon rate and the extent of the adjustment on the media designated by the China Securities Regulatory Commission 20 trading days before the interest payment date of the third year. Investors have the right to request the Company to repurchase all or part of the bonds they hold within five trading days after the announcement is made.
- (v) These corporate bonds are held by the Company.

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Mortgaged borrowings	953,031	888,873	824,793
Credit borrowings	25,165,925	32,626,787	35,903,209
Corporate bonds	8,332,195	5,221,307	5,011,013
Total borrowings.	34,451,151	38,736,967	41,739,015
Less: current portion			
Mortgaged borrowings	48,931	64,773	102,178
Credit borrowings	1,774,674	1,495,112	9,674,111
Corporate bonds	3,111,519	210,641	145,000
	4,935,124	1,770,526	9,921,289
	29,516,027	36,966,441	31,817,726

During the Track Record Period, the Group did not violate any financial covenants under the agreements of borrowings. The Group's and the Company's borrowings were repayable as follows:

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Analysed as:			
Bank borrowings			
– Within 1 year	18,129,424	21,815,771	34,828,508
– Over 1 year but within 2 years	7,599,605	17,901,721	22,611,084
– Over 2 years but within 5 years	26,383,267	37,111,975	36,384,553
– Over 5 years	25,116,486	28,435,286	22,242,819
	<u>77,228,782</u>	<u>105,264,753</u>	<u>116,066,964</u>
Other borrowings			
– Within 1 year	293,578	33,435	33,457
– Over 1 year but within 2 years	–	–	–
– Over 2 years but within 5 years	300,000	–	700,000
– Over 5 years	750,000	1,350,000	750,000
	<u>1,343,578</u>	<u>1,383,435</u>	<u>1,483,457</u>
Corporate bonds			
– Within 1 year	3,111,519	210,641	7,511,773
– Over 1 year but within 5 years	15,668,397	15,659,131	8,414,035
– Over 5 years	3,509,492	3,577,883	3,508,588
	<u>22,289,408</u>	<u>19,447,655</u>	<u>19,434,396</u>
	<u>100,861,768</u>	<u>126,095,843</u>	<u>136,984,817</u>

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Analysed as:			
Bank borrowings			
– Within 1 year	1,823,605	1,559,885	9,776,289
– Over 1 year but within 2 years	1,494,723	11,146,164	9,246,052
– Over 2 years but within 5 years	11,456,904	9,266,725	7,998,879
– Over 5 years	11,343,724	11,542,886	9,706,782
	<u>26,118,956</u>	<u>33,515,660</u>	<u>36,728,002</u>
Corporate bonds			
– Within 1 year	3,111,519	210,641	145,000
– Over 1 year but within 5 years	5,220,676	5,010,666	4,866,013
	<u>8,332,195</u>	<u>5,221,307</u>	<u>5,011,013</u>
	<u>34,451,151</u>	<u>38,736,967</u>	<u>41,739,015</u>

33. LEASE LIABILITIES

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Total minimum lease payments:			
– Within 1 year	140,143	119,458	211,626
– Over 1 year but within 5 years	345,729	250,380	609,513
– Over 5 years	348,292	62,851	117,765
	834,164	432,689	938,904
Future interest expense on lease liabilities	(148,708)	(43,094)	(93,711)
Present value of lease liabilities	685,456	389,595	845,193

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Present value of minimum lease payments:			
– Within 1 year	113,106	106,299	182,379
– Over 1 year but within 5 years	270,430	222,694	552,042
– Over 5 years	301,920	60,602	110,772
	685,456	389,595	845,193
Less: portion due within one year included under current liabilities	(113,106)	(106,299)	(182,379)
Portion due after one year included under non-current liabilities	572,350	283,296	662,814

The total cash outflows for the leases including short-term leases for the years ended 31 December 2022, 2023 and 2024 were RMB765,815,000, RMB1,088,614,000 and RMB1,178,565,000, respectively.

34. PROVISIONS

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
After-sale service fee (<i>Note (a)</i>)	13,976,990	28,390,013	39,070,181
Sale rebate (<i>Note (b)</i>)	5,720,385	23,118,593	32,721,170
Others	–	130,307	135,592
	<u>19,697,375</u>	<u>51,638,913</u>	<u>71,926,943</u>

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
After-sale service fee (<i>Note (a)</i>)	12,000,961	24,796,282	34,078,808
Sale rebate (<i>Note (b)</i>)	5,276,707	21,472,240	28,911,272
	<u>17,277,668</u>	<u>46,268,522</u>	<u>62,990,080</u>

Notes:

- (a) Provision for after-sale service fee is recognised when the underlying products are sold. Provision is made for the best estimate of the expected settlement under these agreements in respect of products sold which are still within the warranty period. It is mainly based on cumulative sales of battery products within the warranty period, estimated maintenance cost per unit and estimated maintenance rate, etc.
- (b) The Group and the Company have entered into contracts with certain customers that include rebate terms, and the Group and the Company recognise estimated liabilities based on the rebate terms stipulated in the contracts.

35. SHARE CAPITAL AND TREASURY SHARES

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Share capital	2,442,515	4,399,041	4,403,466
Treasury shares	253,991	1,572,972	2,712,804

The changes in share capital are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Issued and fully paid:			
At the beginning of the year	2,330,851	2,442,515	4,399,041
Shares issued under restricted stock incentive plans (Notes (a), (b), (c), (d), (e), (f), (g), (h), (i)).	1,908	2,618	4,425
Private placement (Note (j)).	109,756	–	–
Conversion of capital reserve into share capital (Note (k)).	–	1,953,908	–
At the end of the year	2,442,515	4,399,041	4,403,466
Number of ordinary shares (in thousands)	2,442,515	4,399,041	4,403,466

The changes in treasury shares are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Paid-in capital/Nominal value of ordinary shares:			
At the beginning of the year	443,535	253,991	1,572,972
Shares issued under restricted stock incentive plans (Note (a)).	(189,544)	(184,658)	(67,921)
Repurchase of shares (Note (l)).	–	1,503,639	1,207,753
At the end of the year	253,991	1,572,972	2,712,804
Number of treasury shares (in thousands)	7,185	12,601	16,063

Notes:

- (a) On 19 August 2022, a total of 136,290 restricted stocks granted in 2018 Incentive Plan and 2019 Incentive Plan was cancelled, as participants have resigned or did not meet the performance requirements. Therefore, the share capital of RMB136,290, treasury shares of RMB4,807,690 and capital reserve of RMB4,671,400 were reduced.

On 19 September 2022 and 26 September 2022, a total of 5,235,340 restricted stocks granted in 2018 Incentive Plan and 2019 Incentive Plan was released and listed for circulations, as 1,113 participants have met the requirements for relieving the sales restriction. Therefore, the treasury shares of RMB184,736,200 were derecognised.

On 14 April 2023, a total of 129,560 restricted stocks granted in 2018 Incentive Plan and 2019 Incentive Plan was cancelled, as participants have resigned or did not meet the performance requirements. Therefore, the share capital of RMB129,560, treasury shares of RMB4,579,250 and capital reserve of RMB4,449,690 were reduced.

On 19 September 2023 and 25 September 2023, a total of 9,185,782 restricted stocks granted in 2018 Incentive Plan and 2019 Incentive Plan was released and listed for circulation, as 1,061 participants have met the requirements for relieving the sales restriction. Therefore, the treasury shares of RMB180,079,000 were derecognised.

On 17 June 2024, a total of 234,014 restricted stocks granted in 2018 Incentive Plan and 2019 Incentive Plan was cancelled, as participants have resigned or did not meet the performance requirements. Therefore, the share capital of RMB234,014, treasury shares of RMB4,592,477 and capital reserve of RMB4,358,463 were reduced.

On 24 September 2024, a total of 3,208,269 restricted stocks granted in 2019 Incentive Plan was released and listed for circulation, as 860 participants have met the requirements for relieving the sales restriction. Therefore, the treasury shares of RMB63,327,665 were derecognised.

- (b) During the year ended 31 December 2022, 1,694,725 of the restricted stocks granted in 2020 Incentive Plan were vested in the current year. As at 4 November 2022, 3,835 participants of the restricted stocks granted in 2020 Incentive Plan met the vesting requirements, a total of 1,694,725 restricted stock was vested and listed for circulation. Therefore, contribution of RMB391,430,633 was received by the Company from the participants, share capital of RMB1,694,725 and capital reserve of RMB389,735,908 were recognised.
- (c) During the year ended 31 December 2022, 348,792 of the restricted stocks granted in 2021 Incentive Plan were vested in the current year. As at 21 November 2022, 3,865 participants met the vesting requirements, a total of 348,792 restricted stocks was vested and listed for circulation. Therefore, contribution of RMB106,517,588 was received by the Company from the participants, share capital of RMB348,792 and capital reserve of RMB106,168,796 were recognised.
- (d) During the year ended 31 December 2023, 1,033,810 of the restricted stocks granted in 2020 Incentive Plan were vested in the current year. As at 14 November 2023, 175 participants met the vesting requirements, a total of 1,033,810 restricted stocks was vested and listed for circulation. Therefore, contribution of RMB131,211,165 was received by the Company from the participants, share capital of RMB1,033,810 and capital reserve of RMB130,177,355 were recognised.
- (e) During the year ended 31 December 2023, 783,539 of the restricted stocks granted in 2021 Incentive Plan were vested in the current year. As at 21 November 2023, 3,429 participants met the vesting requirements, a total of 783,539 restricted stocks was vested and listed for circulation. Therefore, contribution of RMB131,838,272 was received by the Company from the participants, share capital of RMB783,539 and capital reserve of RMB131,054,733 were recognised.
- (f) During the year ended 31 December 2023, 930,952 of the restricted stocks granted in 2022 Incentive Plan were vested in the current year. As at 15 September 2023, 4,166 participants met the vesting requirements, a total of 930,952 restricted stocks was vested and listed for circulation. Therefore, contribution of RMB134,503,945 was received by the Company from the participants, share capital of RMB930,952 and capital reserve of RMB133,572,993 were recognised.
- (g) During the year ended 31 December 2024, 1,090,773 of the restricted stocks granted in 2021 Incentive Plan were vested. As at 19 November 2024, 3,369 participants met the vesting requirements, a total of 1,090,773 restricted stocks was vested and listed for circulation. Therefore, contribution of RMB178,046,877 was received by the Company from the participants, share capital of RMB1,090,773 and capital reserve of RMB176,956,104 were recognised.
- (h) During the year ended 31 December 2024, 1,209,851 of the restricted stocks granted in 2022 Incentive Plan were vested. As at 20 September 2024, 3,903 participants met the vesting requirements, a total of 1,209,851 restricted stocks was vested and listed for circulation. Therefore, contribution of RMB168,713,722 was received by the Company from the participants, share capital of RMB1,209,851 and capital reserve of RMB167,503,871 were recognised.
- (i) During the year ended 31 December 2024, 2,358,596 of the restricted stocks granted in 2023 Incentive Plan were vested. As at 20 September 2024, 407 participants met the vesting requirements, a total of 2,358,596 restricted stocks was vested and listed for circulation. Therefore, contribution of RMB253,973,617 was received by the Company from the participants, share capital of RMB2,358,596 and capital reserve of RMB251,615,021 were recognised.

- (j) On 4 July 2022, as approved by China Securities Regulatory Commission (“CSRC”), the Company issued a total of 109,756,097 A shares to 22 subscribers and was listed on the Shenzhen Stock Exchange, and raised funding of RMB44,999,999,770 through the issuance. Netting off the transaction cost of RMB129,886,562, the Company received a total of RMB44,870,113,208.

Per the private placement, the Group recognised share capital of RMB109,756,097 and capital reserve of RMB44,755,243,673, net of tax.

- (k) Pursuant to the “Proposal on the 2022 Profit Distribution Plan and Capitalisation of Capital Reserve” approved at the 2022 Annual General Meeting convened on 31 March 2023, the issued share capital of the Company was increased by capital conversion from capital reserve for RMB1,953,907,971 to issue new A shares, based on the total share capital of 2,442,384,964 shares at that time and in the proportion of ten for eight, to a total of 1,953,907,971 shares. After the conversion, the total number of A shares of the Company was 4,396,292,935 shares.
- (l) For the year ended 31 December 2023, a total of 9,086,912 A shares has been repurchased, and treasury shares amounted to RMB1,503,639,229, including RMB376,079 transaction cost, therefore were recognised. The shares were repurchased with an average price of RMB165.47 per share.

For the year ended 31 December 2024, a total of 6,904,612 A shares has been repurchased, and treasury shares amounted to RMB1,207,752,756, including RMB301,882 transaction cost, therefore were recognised. The shares were repurchased with an average price of RMB174.92 per share.

36. SHARE-BASED EMPLOYEE COMPENSATIONS

- (a) Share-based compensation expenses during the Track Record Period are as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Equity settled share-based compensation	556,931	676,722	688,995

- (b) Stock option incentives plans

Pursuant to the 2021 Stock Option and Restricted Stock Incentive Plan (the “2021 Incentive Plan”) approved at the 2021 second Extraordinary General Meeting of the Company on 12 November 2021, and the 40th meeting of the second session of the Board of the Company, the Company granted 1,898,250 stock options to 279 incentive recipients which in initial grant portion and 513,800 stock options to 71 incentive recipients which reserved grant portion, with a grant date of 19 November 2021, and an exercise price of RMB612.08 per share. According to the Company’s performance appraisal and individual performance appraisal, the stock options granted to certain middle-level management personnel are exercisable in three exercise periods after 12 months from the grant date, with the maximum exercisable percentage for each period being 20%, 30% and 50%, respectively; the stock options granted to certain middle-level management personnel are exercisable in four exercise periods after 12 months from the grant date, with the maximum exercisable percentage for each period being 20%, 25%, 25%, and 30%, respectively.

Pursuant to the “Proposal on the 2022 Semi-annual Profit Distribution” approved at the 2022 first Extraordinary General Meeting of the Company, the “Proposal on the 2022 Profit Distribution Plan and Capitalisation of Capital Reserve” approved at the 2022 Annual General Meeting, the “Proposal on the 2023 Profit Distribution Plan” approved at the 2023 Annual General Meeting, the exercise price of the stock options under the 2021 Incentive Scheme was adjusted from RMB612.08 per share to RMB333.25 per share as a result of dividend distribution and capitalisation of capital reserve of the Company.

Pursuant to the 2022 Stock Option and Restricted Stock Incentive Plan (the “2022 Incentive Plan”) approved at the 2022 first Extraordinary General Meeting of the Company on 5 September 2022, and the 11th meeting of the third session of the Board of the Company, the Company granted 1,609,598 stock options to 163 incentive recipients which in initial grant portion and 51,021 stock options to 4 incentive recipients which in reserved grant portion, with a grant date of 8 September 2022, and an exercise price of RMB526.46 per share. According to the Company’s

performance appraisal and individual performance appraisal, the stock options granted to certain directors, senior management members, and middle-level management personnel are exercisable in three exercise periods after 12 months from the grant date, with the maximum exercisable percentage for each period being 20%, 30% and 50%, respectively; the stock options granted to certain directors, senior management members, and middle-level management personnel are exercisable in four exercise periods after 12 months from the grant date, with the maximum exercisable percentage for each period being 20%, 25%, 25%, and 30%, respectively, the stock options granted to certain middle-level management personnel are exercisable in five exercise periods after 12 months from the grant date, with the maximum exercisable percentage for each period being 15%, 15%, 20%, 20%, and 30%, respectively.

Pursuant to the “Proposal on the 2022 Semi-annual Profit Distribution” considered and approved at the 2022 first Extraordinary General Meeting of the Company, the “Proposal on the 2022 Profit Distribution Plan and Capitalisation of Capital Reserve” considered and approved at the 2022 Annual General Meeting, the “Proposal on the 2023 Profit Distribution Plan” considered and approved at the 2023 Annual General Meeting, the exercise price of the stock options under the 2022 Incentive Scheme was adjusted from RMB526.46 per share to RMB285.69 per share as a result of dividend distribution and capitalisation of capital reserve of the Company.

A summary of activities of the service-based stock options is presented as follows:

	Number of stock option	Weighted average exercise price	Weighted average remaining contractual term
		RMB	
As at 1 January 2022	2,412,050	611.43	3.89
Granted	1,660,619	525.81	
Cancelled	(95,841)	590.97	
As at 31 December 2022 and 1 January 2023 . .	3,976,828	576.17	2.89
Granted (<i>Notes (i), (ii), (iii)</i>)	3,115,197	318.55	
Cancelled	(255,102)	330.65	
Lapsed	(790,510)	338.28	
As at 31 December 2023 and 1 January 2024 . .	6,046,413	315.56	2.52
Cancelled	(135,801)	319.33	
Exercised	(16)	330.28	
Lapsed	(1,608,220)	316.70	
As at 31 December 2024	4,302,376	307.94	1.56

Notes:

- (i) On 8 March 2023 and 31 March 2023, respectively, the 17th meeting of the third Board of Directors and the annual shareholders' meeting for the year 2022 of the Company approved the proposal on “Proposal on Profit Distribution and Capital Reserve Conversion into Capital Stock for the year 2022”. Based on the current total share capital of the Company of 2,442,514,524 shares, a cash dividend of RMB25.20 (including tax) will be distributed to all shareholders for every 10 shares held, and at the same time, 8 shares will be issued for every 10 shares held from the capital reserve to all shareholders.
- (ii) On 20 April 2023, the 18th meeting of the third session of the Board of the Company considered and approved the “Proposal on Adjusting Stock Option Exercise Price and Quantity, and Restricted Stock Grant Price and Quantity”, adjusting the exercise price of stock options under the 2021 Incentive Plan from RMB611.43 per share to RMB338.28 per share and the quantity from 2,278,796 shares to 4,101,832 shares.
- (iii) On 20 April 2023, the 18th meeting of the third session of the Board of Company considered and approved the “Proposal to Adjust the Stock Option Exercise Price and Quantity and the Restricted Stock Grant Price and Quantity”, adjusting the exercise price of stock options under the 2022 Incentive Plan from RMB525.81 per share to RMB290.72 per share and the quantity from 1,615,202 shares to 2,907,363 shares.

The fair value at grant date is independently determined using an adjusted form of the Black Scholes Model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

	2021 Incentive Plan	2022 Incentive Plan
Share price at date of grant	RMB355.00	RMB249.72
Expected volatility	22.50% – 26.80%	25.55% – 27.41%
Expected option life	1 – 4 years	1 – 5 years
Dividend yield	1.00%	0.83%
Risk-free interest rate	1.50% – 2.75%	1.50% – 2.75%
Exercise price at date of grant	RMB612.08	RMB526.46

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Note: The Group recognises share-based compensations in capital reserve and its consolidated statements of profit or loss based on options ultimately expected to vest, after considering estimated forfeitures of the stock options. Forfeitures are estimated based on the historical experience and revised in the subsequent periods if actual forfeitures differ from those estimates. The impact of the revision of the original estimates on non-market vesting conditions, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to capital reserve.

(c) Restricted Stock Incentive Plans

Pursuant to the proposals such as “Proposal on the 2018 Restricted Stock Incentive Plan (Draft) and its Summary of the Company” (the “2018 Incentive Plan”) approved at the 2018 second Extraordinary General Meeting of the Company on 26 July 2018, the Company completed the registration of the initial grant of 22,580,400 type 1 restricted stock with lock-up period to 1,628 incentive participants in September 2018 at a grant price of RMB35.15 per share. Pursuant to the 2018 Incentive Plan, the restricted stock granted to middle-level management personnel will be unlocked in five periods after 12 months from the date of completion of the registration of the grant, and the maximum percentage of unlocking for each period will be 20% according to the Company’s performance appraisal and individual performance appraisal, etc.; the restricted stock granted to core key employees will be unlocked in two periods after 12 months from the date of completion of the registration of the grant, and the maximum percentage of unlocking for each period will be 50% according to the Company’s performance appraisal and individual performance appraisal, etc.

Pursuant to the proposals such as “Proposal on the 2019 Restricted Stock Incentive Plan (Draft) and its Summary of the Company” (the “2019 Incentive Plan”) approved at the 2019 first Extraordinary General Meeting of the Company on July 16, 2019, the Company completed the registration of the initial grant of 13,954,700 type 1 restricted stock with lock-up period to 3,105 incentive participants in September 2019 at a grant price of RMB35.53 per share. Pursuant to the 2019 Incentive Plan, the restricted stock granted to middle-level management personnel and certain core employees will be unlocked in five periods after 12 months from the date of completion of the registration of the grant, and the maximum percentage of unlocking for each period will be 20% according to the Company’s performance appraisal and individual performance appraisal, etc.; the restricted stock granted to core employees will be unlocked in two periods after 12 months from the date of completion of the registration of the grant, and the maximum percentage of unlocking for each period will be 50% according to the Company’s performance appraisal and individual performance appraisal, etc.

Pursuant to the proposals such as “Proposal on the 2020 Restricted Stock Incentive Plan (Draft) and its Summary of the Company” (the “2020 Incentive Plan”) approved at the 2020 third Extraordinary General Meeting of the Company on 29 October 2020, at the 24th meeting of the second session of the Board, it was confirmed that 4,520,600 type 2 restricted stock were granted to 4,573 incentive participants on 4 November 2020 as the grant date at a grant price of RMB231.86 per share. The restricted stock granted to the middle-level management personnel will be vested in three periods after 12 months from the grant date, and the maximum vesting percentage for each period will be 34%, 33%, and 33%, respectively, according to the Company’s performance appraisal and individual performance appraisal, etc.; the restricted stock granted to core key employees will be vested in two periods after 12 months from the grant date, and the maximum vesting percentage for each period will be 50% according to the Company’s performance appraisal and individual performance appraisal, etc.

Pursuant to the proposals such as “Proposal on the 2021 Restricted Stock Incentive Plan (Draft) and its Summary of the Company” (the “2021 Incentive Plan”) approved at the 2021 second Extraordinary General Meeting of the Company on 12 November 2021, at the 40th meeting of the second session of the Board, it was confirmed that 1,850,240 type 2 restricted stock were granted to 4,208 incentive recipients which in initial grant portion and 28,940 type 2 restricted stock were granted to 46 incentive recipients which in reserved grant portion on 19 November 2021 as the grant date at a grant price of RMB306.04 per share. The restricted stock granted to the core key employees and certain middle-level management personnel will be vested in three periods after 12 months from the grant date, and the maximum vesting percentage for each period will be 20%, 30%, and 50%, respectively, according to the Company’s performance appraisal and individual performance appraisal, etc.; the restricted stock granted to certain middle-level management personnel will be vested in four periods after 12 months from the grant date, and the maximum vesting percentage for each period will be 20%, 25%, 25% and 30%, respectively, according to the Company’s performance appraisal and individual performance appraisal, etc.

Pursuant to the “Proposal on the 2022 Semi-annual Profit Distribution” considered and approved at the 2022 first Extraordinary General Meeting of the Company, the “Proposal on the 2022 Profit Distribution Plan and Capitalization of Capital Reserve” considered and approved at the 2022 Annual General Meeting, the “Proposal on the 2023 Profit Distribution Plan” considered and approved at the 2023 Annual General Meeting, the vesting price of the restricted stock under the 2021 Incentive Scheme was adjusted from RMB306.04 per share to RMB163.23 per share as a result of dividend distribution and capitalization of capital reserve of the Company.

Pursuant to the proposals such as “Proposal on the 2022 Restricted Stock Incentive Plan (Draft) and its Summary of the Company” (the “2022 Incentive Plan”) approved at the 2022 first Extraordinary General Meeting of the Company on September 5, 2022, at the 11th meeting of the third session of the Board, it was confirmed that 2,611,360 type 2 restricted stock were granted to 4,483 incentive recipients which in initial grant portion and 294,769 type 2 restricted stock were granted to 126 incentive recipients which in reserved grant portion on 8 September 2022 as the grant date at a grant price of RMB263.23 per share. The restricted stock granted to the core key employees and certain directors, senior management members, and middle-level management personnel will be vested in three periods after 12 months from the grant date, and the maximum vesting percentage for each period will be 20%, 30%, and 50%, respectively, according to the Company’s performance appraisal and individual performance appraisal, etc.; the restricted stock granted to certain directors, senior management members, and middle-level management personnel will be vested in four periods after 12 months from the grant date, and the maximum vesting percentage for each period will be 20%, 25%, 25% and 30%, respectively, according to the Company’s performance appraisal and individual performance appraisal, etc.

Pursuant to the “Proposal on the 2022 Semi-annual Profit Distribution” considered and approved at the 2022 first Extraordinary General Meeting of the Company, the “Proposal on the 2022 Profit Distribution Plan and Capitalisation of Capital Reserve” considered and approved at the 2022 Annual General Meeting, the “Proposal on the 2023 Profit Distribution Plan” considered and approved at the 2023 Annual General Meeting, the vesting price of the restricted stock under the 2022 Incentive Scheme was adjusted from RMB263.23 per share to RMB139.45 per share as a result of dividend distribution and capitalisation of capital reserve of the Company.

Pursuant to the proposals such as “Proposal on the 2023 Restricted Stock Incentive Plan (Draft) and its Summary of the Company” (the “2023 Incentive Plan”) approved at the 2023 first Extraordinary General Meeting of the Company on 24 August 2023, at the 23rd meeting of the third session of the Board, it was confirmed that 10,090,401 type 2 restricted stock were granted to 422 incentive recipients which in initial grant portion and 1,039,602 type 2 restricted stock were granted to 16 incentive recipients which in reserved grant portion on 8 September 2023 as the grant date at a grant price of RMB112.71 per share. The restricted stock granted to certain middle-level management personnel will be vested in two periods after 12 months from the grant date, and the maximum vesting percentage in each period will be 50% and 50%, respectively, according to the Company’s performance appraisal and individual performance appraisal, etc.; the restricted stock granted to certain senior management members and middle-level management personnel will be vested in five periods after 12 months from the grant date, and the maximum vesting percentage for each period will be 20%, according to the Company’s performance appraisal and individual performance appraisal, etc.

The number of restricted stock granted to the Group’s incentive participants is summarised as follows:

	Year ended 31 December		
	2022	2023	2024
At the beginning of the year	16,838,220	12,064,648	20,086,130
Granted	2,906,129	20,624,383	–
Vested	(7,278,857)	(11,934,083)	(7,867,489)
Lapsed	(400,844)	(668,818)	(1,869,677)
At the end of the year	12,064,648	20,086,130	10,348,964

37. RESERVES

The Group

During the Track Record Period, the amounts of the Group’s reserves and the changes therein are presented in the consolidated statements of changes in equity.

The Company

	Share capital	Treasury shares	Capital reserve	Other comprehensive income reserve	Statutory reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	2,330,851	(443,535)	44,963,903	2,600,973	1,165,426	23,902,051	74,519,669
Profit for the year	–	–	–	–	–	22,071,411	22,071,411
Other comprehensive income for the year	–	–	–	1,874,916	–	–	1,874,916
Total comprehensive income for the year	–	–	–	1,874,916	–	22,071,411	23,946,327
Appropriation of statutory reserve	–	–	–	–	55,832	(55,832)	–
Dividends declared (Note 14)	–	–	–	–	–	(1,593,064)	(1,593,064)
Share-based compensation expenses	–	–	554,825	–	–	–	554,825
Capital injection	111,664	189,544	45,145,888	–	–	–	45,447,096
Others	–	–	–	–	–	67,016	67,016
Transactions with owners	111,664	189,544	45,700,713	–	55,832	(1,581,880)	44,475,873
As at 31 December 2022 and 1 January 2023	2,442,515	(253,991)	90,664,616	4,475,889	1,221,258	44,391,582	142,941,869

APPENDIX I

ACCOUNTANTS' REPORT

	Share capital	Treasury shares	Capital reserve	Other comprehensive income reserve	Statutory reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the year	-	-	-	-	-	32,904,709	32,904,709
Other comprehensive loss for the year	-	-	-	(4,526,057)	-	-	(4,526,057)
Total comprehensive (loss)/income for the year	-	-	-	(4,526,057)	-	32,904,709	28,378,652
Appropriation of statutory reserve	-	-	-	-	978,263	(978,263)	-
Share-based compensation expenses	-	-	664,798	-	-	-	664,798
Capital injection	2,618	(1,318,981)	390,355	-	-	-	(926,008)
Dividends declared (Note 14)	-	-	-	-	-	(6,154,689)	(6,154,689)
Conversion of capital reserve into share capital	1,953,908	-	(1,953,908)	-	-	-	-
Transfer of other comprehensive income to retained earnings	-	-	-	(316,612)	-	316,612	-
Others	-	-	1,070,181	-	-	-	1,070,181
Transactions with owners	1,956,526	(1,318,981)	171,426	(316,612)	978,263	(6,816,340)	(5,345,718)
As at 31 December 2023 and 1 January 2024	4,399,041	(1,572,972)	90,836,042	(366,780)	2,199,521	70,479,951	165,974,803
Profit for the year	-	-	-	-	-	55,718,627	55,718,627
Other comprehensive loss for the year	-	-	-	(35,731)	-	-	(35,731)
Total comprehensive (loss)/income for the year	-	-	-	(35,731)	-	55,718,627	55,682,896
Appropriation of statutory reserve	-	-	-	-	2,213	(2,213)	-
Share-based compensation expenses	-	-	668,722	-	-	-	668,722
Capital injection	4,425	(1,139,832)	591,722	-	-	-	(543,685)
Dividends declared (Note 14)	-	-	-	-	-	(27,458,131)	(27,458,131)
Transfer of other comprehensive income to retained earnings	-	-	-	(46,205)	-	46,205	-
Others	-	-	221,496	-	-	-	221,496
Transactions with owners	4,425	(1,139,832)	1,481,940	(46,205)	2,213	(27,414,139)	(27,111,598)
As at 31 December 2024	4,403,466	(2,712,804)	92,317,982	(448,716)	2,201,734	98,784,439	194,546,101

The directors of the Company considered that none of the non-wholly-owned subsidiaries have non-controlling interests that are material to the Group, therefore, no summarised financial information of these non-wholly-owned subsidiaries are presented separately.

38. SFA

The Group introduces a third-party supply chain information service platform to provide services to its suppliers with the Group's electronic debt certificates. The Group's payment obligations under the electronic debt certificates are unconditional and irrevocable, and unaffected by any commercial disputes between the parties involved in the transfer of the electronic debt certificates. The Group shall not claim set-off or raise any defense against the payment obligations. According to the business rules, the Group shall settle the amounts stated in the electronic debt certificates on the payment date. The electronic debt certificates are transferable and financially viable.

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Carrying amount of financial liabilities that are part of SFA			
Presented as part of:			
– Trade and bills payables (<i>Note 30</i>)	12,929,789	31,999,446	44,362,409
Payments have been received by the suppliers from the finance providers:			
– Trade and bills payables	11,479,852	22,736,349	33,088,172

The range of payment due dates for the liabilities presented as trade and bills payables that are part of SFA and those comparable trade payables that are not part of SFA had no significant changes. The payment days are generally within 90 days.

39. FINANCIAL GUARANTEE CONTRACT

The Group has executed guarantees with respect to loans and factoring to its significant related parties and third parties. Under the guarantees, the Group would be liable to pay the lender if the lender is unable to recover the loans and factoring. At the end of each reporting period, the outstanding balance of the loans and factoring represents the Group's maximum exposure under the financial guarantee contract. Management considers that the fair values of these financial guarantee contracts at their initial recognition and at the end of each reporting period are insignificant on the basis of low applicable default rates due to the significant related parties and third parties are in strong financial positions.

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Guarantees to related parties			
Original amount of loans and factoring	929,000	2,309,000	3,354,506
Guarantee amount executed	542,660	836,960	678,221
Outstanding balance of guarantee amount	204,831	464,873	537,653
Guarantees to third parties			
Original amount of loans and factoring	6,200,000	5,000,000	6,620,000
Guarantee amount executed	10,000,000	10,000,000	10,512,000
Outstanding balance of guarantee amount	5,900,000	4,270,000	3,796,000

40. PLEDGED ASSETS

At the end of each reporting period, the Group's certain assets have been pledged to secure bills payable, borrowings and banking facilities granted to the Group. The carrying amounts of the pledged assets of the Group at the end of each reporting period are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Property, plant and equipment (Note 16)	5,628,225	4,967,566	7,130,468
Prepaid lease payments	1,742,588	1,292,171	1,423,029
Intangible assets	—	—	127,098
Trade and bills receivables	3,526,084	1,752,260	132,403
Restricted cash	32,510,497	22,475,346	23,339,555
	<u>43,407,394</u>	<u>30,487,343</u>	<u>32,152,553</u>

41. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS**(a) Reconciliation of liabilities arising from financing activities**

Reconciliation of liabilities arising from financing activities for the Track Record Period is as follows:

	Borrowings	Corporate bonds	Lease liabilities
	RMB'000	RMB'000	RMB'000
	(Note 32)	(Note 32)	(Note 33)
As at 1 January 2022	37,159,348	17,367,606	524,070
Cash flows	34,641,956	3,710,000	(170,507)
Interest paid	(1,493,826)	(438,332)	(27,977)
Interest expense	1,716,032	451,308	27,977
Other non-cash movements	6,548,850	1,198,826	331,893
As at 31 December 2022 and 1 January 2023 . . .	78,572,360	22,289,408	685,456
Cash flows	25,800,424	(3,000,000)	(108,863)
Interest paid	(2,333,986)	(538,136)	(17,783)
Interest expense	3,281,793	438,310	17,783
Other non-cash movements	1,327,597	258,073	(186,998)
As at 31 December 2023 and 1 January 2024 . . .	106,648,188	19,447,655	389,595
Cash flows	10,877,889	(210,000)	(240,061)
Interest paid	(2,694,724)	(433,398)	(60,706)
Interest expense	3,655,973	432,506	60,706
Other non-cash movements	(936,905)	197,633	695,659
As at 31 December 2024	<u>117,550,421</u>	<u>19,434,396</u>	<u>845,193</u>

(b) Non-cash transactions

The material non-cash transaction is mainly related to the settlement of acquisition of a subsidiary through partially disposal of equity interest of an owned subsidiary, details are disclosed in Note 47.2 to the Historical Financial Information.

42. COMMITMENTS

(a) Capital commitments

At the end of each reporting period, capital commitments contracted but not provided for in the Historical Financial Information are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Contracted, but not provided for, net of deposits/investments paid			
– Property, plant and equipment	24,718,447	9,874,853	11,268,941
– Investments to be paid	26,748,707	–	–
	<u>51,467,154</u>	<u>9,874,853</u>	<u>11,268,941</u>

(b) As lessee

At the end of each reporting period, the Group's lease commitments for short-term leases are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Within one year	<u>502,617</u>	<u>422,466</u>	<u>353,690</u>

43. RELATED PARTY TRANSACTIONS

Other than as disclosed in elsewhere to the Historical Financial Information, the Group entered into the following material related party transactions during the Track Record Period.

(a) Relationships with related parties

Name of related party	Relationship with the Group
Anmai Contemporary Intelligent Manufacturing (Ningde) Co., Ltd.* (安脈時代智能製造(寧德)有限公司)	An associate of the Group
Avita Technology (Chongqing) Co., Ltd.* (阿維塔科技(重慶)有限公司).	An associate of the Group from March 2022
Beijing Kuche Yimei Network Technology Co., Ltd.* (北京酷車易美網絡科技有限公司)	An associate of the Group from August 2023
Changzhou Liyuan New Energy Technology Co., Ltd. (常州鋰源新能源科技有限公司) and its subsidiaries	Associates of the Group
Changzhou Mengteng Intelligent Equipment Co., Ltd.* (常州孟騰智能裝備有限公司)	An associate of the Group
CHC Co., Ltd. and its subsidiary	Associates of the Group from September 2022
CMOC Group Limited (洛陽欒川鉬業集團股份有限公司) and its subsidiaries.	Associates of the Group from March 2023
Foshan Huapu Gas Technology Co., Ltd.* (佛山華普氣體科技有限公司)	An associate of the Group
Fujian Contemporary Nebula Technology Co., Ltd.* (福建時代星雲科技有限公司).	An associate of the Group
Fujian Hongda Contemporary Amperex Technology Co., Ltd.* (福建宏大時代新能源科技有限公司).	An associate of the Group

Name of related party	Relationship with the Group
Fujian Ningde Zhixiang Unlimited Technology Co., Ltd.* (福建寧德智享無限科技有限公司) and its subsidiary	Associates of the Group
Fujian Yongfu Power Engineering Co., Ltd.* (福建永福電力設計股份有限公司) and its subsidiary	Associates of the Group
Ganghua Times Smart Energy Technology (Suzhou) Co., Ltd.* (港華時代智慧能源科技(蘇州)有限公司)	An associate of the Group
Geo Micro Devices (Xiamen) Co., Ltd.* (格威半導體(廈門)有限公司)	An associate of the Group from April 2023
Guian New Area Zhongke Xingcheng Graphite Co., Ltd.* (貴安新區中科星城石墨有限公司)	An associate of the Group from July 2022
Guizhou Phosphating New Energy Technology Co., Ltd.* (貴 州磷化新能源科技有限責任公司)	An associate of the Group from February 2022
Hangzhou Anmaisheng Intelligent Technology Co., Ltd.* (杭 州安脈盛智能技術有限公司) and its subsidiary	Associates of the Group
Henan Yuexin Times New Energy Technology Co., Ltd.* (河 南躍薪時代新能源科技有限公司)	An associate of the Group
Inceptio Group Limited and its subsidiary	Associates of the Group
Jiangxi Chunyou Lithium Industry Co., Ltd.* (江西春友鋰業 有限公司)	An associate of the Group
Jiangxi Shenghua New Materials Co., Ltd.* (江西升華新材料 有限公司) and its subsidiary	Associates of the Group before August 2024
KFM Holding Limited	An associate of the Group from August 2022
Nengjian Era New Energy Technology Co., Ltd.* (能建時代 新能源科技有限公司)	An associate of the Group from August 2023
Nengjian Times (Shanghai) New Energy Storage Technology Research Institute Co., Ltd.* (能建時代(上海)新型儲能技 術研究院有限公司)	An associate of the Group from August 2023
Newstride Technology Limited and its subsidiary	Associates of the Group
Ningde Huizhi Magnesium Aluminum Technology Co., Ltd.* (寧德匯智鎂鋁科技有限公司) formerly known as Ningde Wenda Magnesium Aluminum Technology Co., Ltd.* (寧德文達鎂鋁科技有限公司)	An associate of the Group
Ningde Times Kostar Technology Co., Ltd.* (寧德時代科士 達科技有限公司)	An associate of the Group
Ningxiang Jinli-Brunp Environmental Technology Co., Ltd.* (寧鄉金鋰邦普環保科技有限公司)	An associate of the Group
PT Sumberdaya Arindo	An associate of the Group from December 2023
PT. QMB New Energy Materials (青美邦新能源科技有限公 司) and its subsidiary	Associates of the Group
Qujing Lintie Technology Co., Ltd.* (曲靖市麟鐵科技有限公 司) and its subsidiary	Associates of the Group
Shandong Genyuan New Materials Co., Ltd.* (山東亘元新材 料股份有限公司) and its subsidiaries	Associates of the Group
Shanghai Core Times New Energy Technology Co., Ltd.* (上海芯時代新能源科技有限公司)	An associate of the Group from June 2023
Shanghai Jieneng Zhidian New Energy Technology Co., Ltd.* (上海捷能智電新能源科技有限公司)	An associate of the Group from October 2022
Shanghai Qiyuanxin Power Technology Co., Ltd.* (上海啟源 芯動力科技有限公司)	An associate of the Group
Shanghai Ronghe Dianke Financial Leasing Co., Ltd.* (上海 融和電科融資租賃有限公司) and its subsidiary	Associates of the Group
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.* (上海杉杉鋰電材料科技有限公司) and its subsidiaries	Associates of the Group from June 2022

Name of related party	Relationship with the Group
Shaowu Yongtai Hi-Tech Material Co., Ltd. (邵武永太高新材料有限公司)	An associate of the Group
Shenzhen Gecko New Energy Vehicle Technology Co., Ltd.* (深圳壁虎新能源汽车科技有限公司)	An associate of the Group from December 2022
Shenzhen Geesun Intelligent Technology Co., Ltd. (深圳吉陽智能科技有限公司) and its subsidiaries	Associates of the Group from January 2022
Shenzhen Shengde New Energy Technology Co., Ltd.* (深圳盛德新能源科技有限公司) and its subsidiary	Associates of the Group
Suzhou Xinlian Motor Co., Ltd.* (蘇州新聯電機有限公司)	An associate of the Group from May 2022
Times Guangqi Power Battery Co., Ltd.* (廣汽時代動力電池系統有限公司)	An associate of the Group
Times Smart Technology (Fujian) Co., Ltd.* (時代智慧科技(福建)有限公司) and its subsidiary	Associates of the Group
United Auto Battery System Co., Ltd. (上汽時代動力電池系統有限公司)	An associate of the Group
Veinstone Investment Limited	An associate of the Group before April 2023
Wuxi Lead Intelligent Equipment Co., Ltd. 無錫先導智能裝備股份有限公司 and its subsidiary	Associates of the Group
Xiamen Xinnengda Technology Co., Ltd.* (廈門新能達科技有限公司) and its subsidiary	Associates of the Group from June 2022
Yibin Tianyi Lithium Technology Innovation Co., Ltd. (宜賓市天宜鋰業科創有限公司) and its subsidiary	Associates of the Group
Yichun Longpan Era Lithium Industry Technology Co., Ltd.* (宜春龍蟠時代鋰業科技有限公司) (<i>Note (i)</i>)	An associate of the Group from November 2022
Yifeng Huaqiao Yongtuo Mining Co., Ltd.* (宜豐縣花橋永拓礦業有限公司) and its subsidiary	Associates of the Group
Zhichun Lithium Industry Group Co., Ltd.* (志存鋰業集團有限公司) and its subsidiaries	Associates of the Group before March 2023
Chengdu Electric Service Trading Investment Energy Technology Co., Ltd.* (成都電服交投能源科技有限公司)	A joint venture of the Group from June 2023
Contemporary Energy Storage (Fujian) Development Co., Ltd.* (時代儲能(福建)科技有限公司) and its subsidiary	Joint ventures of the Group
Jinjiang Min Investment Electric Power Storage Technology Co., Ltd.* (晉江閩投電力儲能科技有限公司)	A joint venture of the Group
Ningpu Contemporary Battery Technology Co., Ltd.* (寧普時代電池科技有限公司) and its subsidiary (<i>Note (ii)</i>)	Joint ventures of the Group before January 2024
Shanghai Kuaibu New Energy Technology Co., Ltd.* (上海快卜新能源科技有限公司) and its subsidiary	Joint ventures of the Group
Yibin Sanjiang Lvcheng Energy Technology Co., Ltd.* (宜賓三江綠城能源科技有限公司)	A joint venture of the Group from March 2022
Hainan Yi'an Business Consulting Co., Ltd.* (海南亦安商務諮詢有限公司)	A related company controlled by a close-member of the key management personnel of the Company from November 2022
Shanghai Shida Investment Management Co., Ltd.* (上海適達投資管理有限公司)	A related company controlled by the key management personnel of the Company
Xinqi Information Technology (Shanghai) Co., Ltd.* (欣起信息科技(上海)有限公司)	A related company controlled by the key management personnel of the Company from November 2022

* For Identification only

Notes:

- (i) Yichun Longpan Era Lithium Industry Technology Co., Ltd. (“Yichun Longpan”) was a subsidiary of the Group and was being disposed 70% of its equity interests to an independent third party in November 2022. Since then, the Group has held remaining equity interests of 30%, and Yichun Longpan was no longer in the scope of consolidation of the Group and became an associate of the Group.
- (ii) Ningpu Contemporary Battery Technology Co., Ltd. (“Ningpu Contemporary”) was a joint venture of the Group with 46.67% of equity interests held. Upon the acquisition of equity interests in January 2024, the shareholding increased to 94.44% and Ningpu Contemporary became a subsidiary of the Group.

(b) Transactions with related parties

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Sales transactions			
– Associates	6,938,549	7,546,371	8,160,176
– Joint ventures	632,037	214,895	20,154
– A related company or key management personnel	–	–	12
	<u>7,570,586</u>	<u>7,761,266</u>	<u>8,180,342</u>
Procurement transactions			
– Associates	27,826,887	21,469,688	27,682,589
– Joint ventures	–	47	539
– A related company or key management personnel	–	12,708	4,841
	<u>27,826,887</u>	<u>21,482,443</u>	<u>27,687,969</u>

(c) Balances with related parties

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Amounts due from related parties			
Trade and bills receivables			
– Associates	1,180,016	790,774	1,922,006
– Joint ventures	131,896	80,427	28,021
Contract assets			
– Associates	1,214	1,967	1,974
– Joint ventures	–	395	–
Prepayments, deposits and other assets			
– Associates	4,263,804	16,220,096	13,568,530
– Joint ventures	–	971	545
	<u>5,576,930</u>	<u>17,094,630</u>	<u>15,521,076</u>
Amounts due to related parties			
Trade and bills payables			
– Associates	3,061,262	2,770,779	4,979,245
– Joint ventures	–	47	388
Contract liabilities			
– Associates	377,575	873,234	136,215
– Joint ventures	36,938	72,253	17,213
Other payables and accruals			
– Associates	5,172,813	4,040,231	2,626,402
– Joint ventures	–	2,380	5,423
– A related company or key management personnel	–	129,941	–
	<u>8,648,588</u>	<u>7,888,865</u>	<u>7,764,886</u>

Note: Trade and bills receivables, contract assets, prepayments, deposits and other assets that related to payment on construction and equipment, trade and bills payables, contract liabilities and other payables and accruals are trade in nature.

The remaining receivable balances of RMB1,324 million, RMB1,160 million and RMB128 million as at 31 December 2022, 2023 and 2024, respectively, mainly related to investing activities which are non-trade in nature, unsecured and not expected to be settled before the completion of the initial listing of H Shares of the Company on the Main Board of the Stock Exchange.

44. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each financial instrument at the end of each reporting period are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Financial assets			
Financial assets at amortised cost			
– Trade and bills receivables	61,492,601	65,772,258	64,265,913
– Deposits and other assets	19,454,171	16,070,648	16,787,607
– Bank balances, deposits and cash	190,139,815	261,710,833	298,243,356
Financial assets at FVTPL			
– Equity investments at fair value	2,645,307	2,816,190	3,135,658
– Wealth management products and structured deposits	1,981,328	7,767	14,282,253
Financial assets at FVTOCI			
– Equity investments at fair value	20,491,264	14,128,318	11,900,901
– Trade and bills receivables measured at FVTOCI	18,965,715	55,289,319	53,309,701
Derivative financial instruments	575,638	–	–
	<u>315,745,839</u>	<u>415,795,333</u>	<u>461,925,389</u>
Financial liabilities			
Financial liabilities measured at amortised cost			
– Trade and bills payables	191,747,512	167,825,751	179,476,484
– Other payables and accruals	53,507,023	80,669,840	53,850,312
– Borrowings	100,861,768	126,095,843	136,984,817
– Lease liabilities	685,456	389,595	845,193
Derivative financial instruments	–	3,941,410	2,116,017
	<u>346,801,759</u>	<u>378,922,439</u>	<u>373,272,823</u>

45. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value in the consolidated statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3: significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

(a) Fair value hierarchy

As at 31 December 2022, 2023 and 2024, the financial assets and liabilities measured at fair value on a recurring basis by the above three levels are analysed below:

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2022				
Financial assets				
<u>Financial assets at FVTPL</u>				
– Equity investment at fair value . . .	–	–	2,645,307	2,645,307
– Wealth management products and structured deposits	–	1,981,328	–	1,981,328
<u>Financial assets at FVTOCI</u>				
– Equity investments at fair value . .	9,259,728	–	11,231,536	20,491,264
– Trade and bills receivables measured at FVTOCI	–	18,965,715	–	18,965,715
Derivative financial instruments . . .	575,638	–	–	575,638
	<u>9,835,366</u>	<u>20,947,043</u>	<u>13,876,843</u>	<u>44,659,252</u>
As at 31 December 2023				
Financial assets				
<u>Financial assets at FVTPL</u>				
– Equity investment at fair value . . .	–	–	2,816,190	2,816,190
– Wealth management products and structured deposits	–	7,767	–	7,767
<u>Financial assets at FVTOCI</u>				
– Equity investments at fair value . .	4,574,590	–	9,553,728	14,128,318
– Trade and bills receivables measured at FVTOCI	–	55,289,319	–	55,289,319
	<u>4,574,590</u>	<u>55,297,086</u>	<u>12,369,918</u>	<u>72,241,594</u>
Financial liabilities				
Derivative financial instruments . . .	<u>3,941,410</u>	<u>–</u>	<u>–</u>	<u>3,941,410</u>
As at 31 December 2024				
Financial assets				
<u>Financial assets at FVTPL</u>				
– Equity investment at fair value . . .	–	–	3,135,658	3,135,658
– Wealth management products and structured deposits	–	14,282,253	–	14,282,253
<u>Financial assets at FVTOCI</u>				
– Equity investments at fair value . .	6,141,783	–	5,759,118	11,900,901
– Trade and bills receivables measured at FVTOCI	–	53,309,701	–	53,309,701
	<u>6,141,783</u>	<u>67,591,954</u>	<u>8,894,776</u>	<u>82,628,513</u>
Financial liabilities				
Derivative financial instruments . . .	<u>2,116,017</u>	<u>–</u>	<u>–</u>	<u>2,116,017</u>

During the Track Record Period, there was no transfer between Level 1 and Level 2 and between Level 2 and Level 3.

The following table presents the changes in Level 1, 2 and 3 fair value hierarchy for the Track Record Period:

	Level 1		Level 2		Level 3	
	Listed equity investments at FVTOCI	Derivative financial instruments	Wealth management products and structured deposits	Trade and bills receivables measured at FVTOCI	Unlisted equity investments at FVTPL	Unlisted equity investments at FVTOCI
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	6,376,655	243,105	1,363,973	6,486,381	1,714,865	2,870,920
Additions	2,619,571	–	616,869	12,446,598	526,546	4,956,156
Disposals	(831,954)	–	–	–	–	(128)
Transfer (Note).	150,000	–	–	–	–	(150,000)
Fair value gain, net	945,456	332,533	–	32,736	400,241	3,595,588
Others	–	–	486	–	3,655	(41,000)
As at 31 December 2022 and 1 January 2023	9,259,728	575,638	1,981,328	18,965,715	2,645,307	11,231,536
Additions	200,000	–	–	36,573,117	125,000	1,562,980
Disposals	(6,236,719)	–	(1,973,948)	–	–	–
Transfer (Note).	3,823,452	–	–	–	–	(3,823,452)
Fair value (loss)/gain, net . .	(2,510,427)	(4,517,048)	387	(249,513)	45,883	576,759
Others	38,556	–	–	–	–	5,905
As at 31 December 2023 and 1 January 2024	4,574,590	(3,941,410)	7,767	55,289,319	2,816,190	9,553,728
Additions	491,449	–	14,082,351	–	195,000	619,275
Disposals	(342,249)	–	–	(2,161,397)	(347,620)	(8,400)
Transfer (Note).	2,313,126	–	–	–	–	(2,313,126)
Fair value (loss)/gain, net . .	(931,031)	1,825,393	192,135	181,779	472,088	(2,227,883)
Others	35,898	–	–	–	–	135,524
As at 31 December 2024. . .	6,141,783	(2,116,017)	14,282,253	53,309,701	3,135,658	5,759,118

Note: During the Track Record Period, there are two, two and two equity investments were transferred from Level 3 to Level 1 respectively upon the initial public offering of these underlying investments was completed during the relevant reporting periods.

(b) Valuation techniques used to determine fair values

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly comprise market approach, adjusted net assets approach and recent transaction price approach. The inputs of the valuation technique mainly include volatility, financial data of target companies, market multiple of comparable companies and discount for lack of marketability.

Assets subject to Level 2 fair value measurement were mainly included wealth management products and structured deposits and receivables measured at FVTOCI are evaluated by market approach.

Assets subject to Level 3 fair value measurement were mainly included equity investments in unlisted entities at FVTPL and at FVTOCI. These assets were measured mainly using market approach, adjusted net assets approach and recent transaction price approach. The judgment of Level 3 of the fair value hierarchy is based on the materiality of unobservable inputs towards calculation of whole fair value.

APPENDIX I

ACCOUNTANTS' REPORT

The information of fair value measurements for Level 3 as at 31 December 2022, 2023 and 2024 is as follows:

	As at 31 December			Valuation technique	Significant unobservable input	Sensitivity relationship to unobservable input to fair value
	2022	2023	2024			
	RMB'000	RMB'000	RMB'000			
Financial assets at FVTPL						
Unlisted equity investments	2,645,307	2,816,190	3,135,658	Adjusted net assets approach	Discount for lack of marketability	Should the discount for lack of marketability be increased/decreased by 10%, the fair value of unlisted equity investments would be decreased/increased by approximately RMB183,322,000, RMB184,900,000 and RMB195,846,000 as at 31 December 2022, 2023 and 2024, respectively.
Financial assets at FVTOCI						
Unlisted equity investments	6,482,944	8,567,848	4,076,957	Recent transaction price approach	N/A	N/A
	4,748,592	985,880	1,682,161	Market approach	Discount for lack of marketability	Should the discount for lack of marketability be increased/decreased by 10%, the fair value of unlisted equity investments would be decreased/increased by approximately RMB631,178,000, RMB169,758,000 and RMB317,356,000 as at 31 December 2022, 2023 and 2024, respectively.
					Price earnings ratio	Should the price earnings ratio be increased/decreased by 1%, the fair value of unlisted equity investments would be increased/decreased by approximately RMB40,112,000, RMB3,833,000 and RMB3,588,000 as at 31 December 2022, 2023 and 2024, respectively.
	<u>13,876,843</u>	<u>12,369,918</u>	<u>8,894,776</u>			

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The principal financial instruments of the Group comprise cash and cash equivalents, and time deposits and restricted cash, the main purpose of which is to support for the operations of the Group. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The risks of the Group's financial instruments are mainly arising from foreign currency risk, price risk, interest rate risk, credit risk and liquidity risk. The Group has entered into certain foreign exchange risk contracts and commodity price risk contracts as set out in Note 27 to mitigate part of its foreign exchange exposure. The directors review and agree policies for managing each of these risks and they are summarised below.

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to currency risks primarily through sales and purchases which give rise to receivables, payables, interest-bearing borrowings and bank balances that are denominated in a foreign currency, i.e., a currency other than the functional currency of the entities to which the transactions relate. The foreign currencies giving rise to this risk are primarily United States dollars ("USD") and EUR.

Foreign currency risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective functional currency of the Group's subsidiaries. To ensure the currency risk exposure of the Group is kept to an acceptable level and seeks to minimise the gap between assets and liabilities in the same currency. Foreign exchange risk contracts are usually used to manage foreign currency risk associated with foreign currency-denominated assets and liabilities.

As at 31 December 2022, 2023 and 2024, for the Group's subsidiaries with RMB as the functional currency, major monetary assets and liabilities exposed to foreign currency risk are listed below:

	USD	EUR	Others
	RMB'000	RMB'000	RMB'000
As at 31 December 2022			
Assets	47,143,528	18,234,266	286,614
Liabilities	(26,999,593)	(975,822)	(170,561)
Net exposure	<u>20,143,935</u>	<u>17,258,444</u>	<u>116,053</u>
As at 31 December 2023			
Assets	64,452,971	35,244,745	4,580,861
Liabilities	(31,073,749)	(143,919)	(122,293)
Net exposure	<u>33,379,222</u>	<u>35,100,826</u>	<u>4,458,568</u>
As at 31 December 2024			
Assets	98,316,154	13,659,393	2,803,511
Liabilities	(31,772,787)	(3,719,128)	(277,807)
Net exposure	<u>66,543,367</u>	<u>9,940,265</u>	<u>2,525,704</u>

The Group uses hedging instruments, mentioned in Note 27 to the Historical Financial Information, to hedge against part of the potential foreign currency risk of the above items.

Sensitivity Analysis

As at 31 December 2022, 2023 and 2024, for the above various USD financial assets and liabilities, if the RMB appreciates or depreciates by 5% against the USD and other factors remain unchanged, the Group will decrease or increase its profit before income tax by RMB1,007 million, RMB198 million and RMB3,104 million, respectively.

As at 31 December 2022, 2023 and 2024, for the above various EUR financial assets and liabilities, if the RMB appreciates or depreciates by 5% against the EUR and other factors remain unchanged, the Group will decrease or increase its profit before income tax by RMB863 million, RMB1,755 million and RMB403 million, respectively.

Other changes in foreign exchange rates have no significant impact on foreign currency risk.

Price risk*Equity price risk*

The Group is exposed to equity price risk mainly arising from equity investments held by the Group that are classified as financial assets at FVTPL or FVTOCI which will not be sold within one year.

Sensitivity analysis is performed by management to assess the exposure of the Group's financial results to equity price risk of financial assets at FVTPL and FVTOCI at the end of each reporting period. If the prices of the respective investments held by the Group had been 10% higher/lower as at 31 December 2022, 2023 and 2024, profit before income tax for the Track Record Period would have been approximately RMB264,531,000, RMB281,619,000 and RMB313,566,000 higher/lower, respectively, as a result of gains/losses on financial assets at FVTPL, and other comprehensive income for the Track Record Period would have been approximately RMB2,049,126,000, RMB1,412,832,000 and RMB1,190,090,000 higher/lower, respectively, as a result of gains/losses on financial assets at FVTOCI.

Commodity price risk

The Group is exposed to commodity price risk mainly arising from lithium, nickel and cobalt, the price volatility of which could impact financial performance. The Group uses derivative financial instruments, including commodity price risk contracts to manage a portion of such risk.

Interest rate risk

The Group's interest rate risk primarily arises from long-term interest-bearing borrowings, corporate bonds and lease liabilities. Long-term borrowings issued at variable rates expose the Group to cash flow interest rate risk. Long-term borrowings issued at fixed rates, corporate bonds and lease liabilities bearing fixed rates expose the Group to fair value interest rate risk.

The Group has been monitoring the level of interest rates. The increase in interest rates will increase the interest costs of borrowings at variable rates, which will further impact the performance of the Group. To hedge against the variability in the cash flows arising from a change in market interest rates, the Group may enter into certain interest rate swap contracts to swap variable rates into fixed rates.

The following tables list out the interest rate profiles of the Group's variable interest-bearing financial instruments as at 31 December 2022, 2023 and 2024:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Floating rate instruments			
– Borrowings	43,208,622	69,224,044	75,437,356

If interest rates of floating rate instruments had been 50 basis points higher/lower with all other variables held constant, the profit before income tax would be lower/higher RMB216,043,000, RMB346,120,000 and RMB377,187,000 as at 31 December 2022, 2023 and 2024, respectively.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities.

The Group's maximum exposure to credit risk is represented by the carrying amount of each financial asset measured at amortised cost and trade and bills receivables measured at FVTOCI as disclosed in Note 44 to the Historical Financial Information.

As at 31 December 2022, 2023 and 2024, other than financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Group's maximum exposure to credit risk which will cause a financial loss to the Group arising from financial guarantees provided by the Group to its related companies and third parties as disclosed in Note 39 to the Historical Financial Information.

Trade receivables and contract assets

The Group's policy is to deal only with credit worthy counterparties. Credit terms are granted to new customers after a credit worthiness assessment by the credit control department. When considered appropriate, customers may be requested to provide proof as to their financial position. Where available at reasonable cost, external credit ratings and/or reports on customers are obtained and used. Customers who are not considered creditworthy are required to pay in advance or on delivery of goods. Payment record of customers is closely monitored. It is not the Group's policy to request collateral from its customers.

The Group has applied the IFRS 9 simplified approach to measuring ECL which uses a lifetime ECL for all trade receivables and contract assets. The Group measures loss allowances for trade receivables at an amount equal to lifetime ECL, which is assessed individually or based on provision matrix, as appropriate, and the expected loss rates are based on the historical settlement experience as well as the corresponding historical credit losses.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

For trade receivables from related parties, the Group considers the counterparties with relatively good credit worthiness based on past experience and satisfactory settlement history. The Group assessed the ECL for trade receivables from related parties was insignificant during the Track Record Period.

A default on trade receivables and contract assets is when the counterparty fails to make contractual payments when they fall due.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery.

On that basis, the ECL allowance as at 31 December 2022, 2023 and 2024 was determined as follows for both trade receivables and contract assets:

	Trade receivables			Contract assets		
	Gross carrying amount	ECL allowance	Expected loss rate	Gross carrying amount	ECL allowance	Expected loss rate
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
As at 31 December 2022						
Assessed based on						
grouping	59,711,901	1,745,384	2.92%	184,570	9,707	5.26%
Assessed individual . .	85,135	85,135	100.00%	—	—	N/A
	<u>59,797,036</u>	<u>1,830,519</u>		<u>184,570</u>	<u>9,707</u>	
As at 31 December 2023						
Assessed based on						
grouping	65,980,322	1,959,788	2.97%	266,257	32,293	12.13%
Assessed individual . .	85,135	85,135	100.00%	—	—	N/A
	<u>66,065,457</u>	<u>2,044,923</u>		<u>266,257</u>	<u>32,293</u>	
As at 31 December 2024						
Assessed based on						
grouping	65,916,331	1,799,487	2.73%	450,546	49,920	11.08%
Assessed individual . .	860,071	841,405	97.83%	—	—	N/A
	<u>66,776,402</u>	<u>2,640,892</u>		<u>450,546</u>	<u>49,920</u>	

Bills receivable

Credit risk for bills receivable is considered to be immaterial, as all bills receivable are bank acceptance notes, and the Group did not expect that there would be any significant losses from non-performance by these banks.

Deposits and other assets

Over the term of deposits and other assets, the Group accounts for its credit risk by appropriately providing for ECL on a timely basis. To assess whether there is a significant increase in credit risk in deposits and other assets, the Group compares the risk of a default occurring on the financial assets at the end of each reporting period with the risk of default at the date of initial recognition. It considers available, reasonable, supportive forward-looking information. Especially, the following indicators are incorporated:

- external credit rating of the counterparty (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty; and
- significant expected changes in the performance and behaviour of the counterparty, including changes in the payment status of the counterparty.

Based on historical experiences and consideration of forward-looking information, other receivables from related parties were settled within 12 months after upon maturity hence the ECL is minimal.

As stated in Note 26 to the Historical Financial Information, impairment on deposits and other assets accounted as amortised cost is measured as either 12-month ECL or lifetime ECL. On such basis, the following table sets forth the ECL allowance for deposits and other assets as at 31 December 2022, 2023 and 2024:

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2022				
Expected loss rate	0.01%	N/A	100.00%	
Gross carrying amount	19,454,360	–	114,247	19,568,607
ECL allowance	(189)	–	(114,247)	(114,436)
As at 31 December 2023				
Expected loss rate	0.63%	N/A	100.00%	
Gross carrying amount	16,172,570	–	108,070	16,280,640
ECL allowance	(101,922)	–	(108,070)	(209,992)
As at 31 December 2024				
Expected loss rate	1.51%	N/A	100.00%	
Gross carrying amount	17,045,798	–	125,818	17,171,616
ECL allowance	(258,191)	–	(125,818)	(384,009)

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost include bank balances, deposits and cash.

Credit risk for bank balances, deposits and cash is considered to be immaterial, as the counterparts are banks/financial institutions with high credit ratings by international credit rating agencies.

Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate balances of such. The table below analyses the Group's financial liabilities by relevant maturity groupings based on the remaining period since the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows or the carrying amount of the financial liabilities to be delivered.

	Within 1 year	1 to 5 years	Over 5 years	Total undiscounted amount	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2022					
<u>Non-derivatives</u>					
Trade and bills payables					
(including SFA)	191,747,512	–	–	191,747,512	191,747,512
Other payables and					
accruals (including					
long-term payables) . . .	53,507,023	–	–	53,507,023	53,507,023
Borrowings	21,959,108	57,715,460	31,768,490	111,443,058	100,861,768
Lease liabilities	140,143	345,729	348,292	834,164	685,456
	<u>267,353,786</u>	<u>58,061,189</u>	<u>32,116,782</u>	<u>357,531,757</u>	<u>346,801,759</u>
Financial guarantee issued					
maximum amount					
(Note)	<u>2,926,391</u>	<u>3,109,800</u>	<u>68,640</u>	<u>6,104,831</u>	<u>6,104,831</u>
As at 31 December 2023					
<u>Non-derivatives</u>					
Trade and bills payables					
(including SFA)	167,825,751	–	–	167,825,751	167,825,751
Other payables and					
accruals (including					
long-term payables) . . .	55,251,958	25,342,026	118,000	80,711,984	80,669,840
Borrowings	22,487,745	74,192,170	35,362,920	132,042,835	126,095,843
Lease liabilities	119,458	250,380	62,851	432,689	389,595
Derivatives					
Derivative financial					
instruments	<u>3,941,410</u>	<u>–</u>	<u>–</u>	<u>3,941,410</u>	<u>3,941,410</u>
	<u>249,626,322</u>	<u>99,784,576</u>	<u>35,543,771</u>	<u>384,954,669</u>	<u>378,922,439</u>
Financial guarantee issued					
maximum amount					
(Note)	<u>1,022,368</u>	<u>3,345,095</u>	<u>367,410</u>	<u>4,734,873</u>	<u>4,734,873</u>

	Within 1 year	1 to 5 years	Over 5 years	Total undiscounted amount	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2024					
<u>Non-derivatives</u>					
Trade and bills payables (including SFA)	179,476,484	–	–	179,476,484	179,476,484
Other payables and accruals (including long-term payables) . . .	53,693,832	94,400	94,400	53,882,632	53,850,312
Borrowings	42,478,408	75,701,280	27,754,717	145,934,405	136,984,817
Lease liabilities	211,626	609,513	117,765	938,904	845,193
<u>Derivatives</u>					
Derivative financial instruments	2,116,017	–	–	2,116,017	2,116,017
	<u>277,976,367</u>	<u>76,405,193</u>	<u>27,966,882</u>	<u>382,348,442</u>	<u>373,272,823</u>
Financial guarantee issued maximum amount (Note)	<u>1,675,720</u>	<u>2,125,624</u>	<u>532,309</u>	<u>4,333,653</u>	<u>4,333,653</u>

Note: The amount represents the maximum amount that the Group could be required to settle under the arrangement for the full guaranteed amount.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern by pricing services commensurately with the level of risk so that it can continue to provide returns and benefits to the shareholders and other stakeholders.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the subject assets. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to the shareholders or return capital to the shareholders. The Group is not subject to any external capital requirements. During the Track Record Period, there are no changes in capital management objectives, policies or procedures.

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Total assets	600,952,353	717,168,041	786,658,123
Total liabilities	424,043,192	497,284,891	513,201,950
Asset-liability ratio	<u>70.56%</u>	<u>69.34%</u>	<u>65.24%</u>

47. ACQUISITIONS OF SUBSIDIARIES

The net cash flow impact of acquisitions of business and assets during the Track Record Period are as below:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Total cash outflow (<i>Note</i>)	—	6,803,763	352,649
Less: cash and bank balances acquired	(22,060)	(39,661)	(108,627)
	(22,060)	6,764,102	244,022

Note: Total acquisition consideration of RMB6,442,656,000 in 2023 was prepaid during the year ended 31 December 2022.

47.1 Acquisition of business

During the Track Record Period, acquisition of subsidiaries had no significant impact on the Group's Historical Financial Information.

The aggregate fair values of the identifiable assets and liabilities at the date of acquisition were as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Current assets	1,094,709	30,334	858,950
Non-current assets	431,707	177,103	599,447
Current liabilities	(272,615)	(5,072)	(301,933)
Non-current liabilities	(48,840)	—	(319,811)
Net assets acquired	1,204,961	202,365	836,653
Less: non-controlling interests	(531,257)	(80,570)	(22,834)
Add: goodwill (<i>Note 18</i>)	176,214	239,311	181,080
	849,918	361,106	994,899

47.2 Acquisition of assets

Snowway Mining

In December 2022, the Group signed the “Yajiang Snowway Mining Development Co., Ltd. Bankruptcy Reorganisation Case and Restructuring Investment Agreement” (雅江縣斯諾威礦業發展有限公司破產重整案重整投資協定) with the bankruptcy administrator of Yajiang Snowway Mining Development Co., Ltd. (雅江縣斯諾威礦業發展有限公司破產管理人) (the “Snowway Mining Administrator”), and paid a reorganisation fund of approximately RMB6,442.6 million which is the cost of acquisition of Snowway Mining.

In January 2023, the creditors of Snowway Mining voted to approve the draft reorganisation plan of, and then the Court of Yajiang County ruled to approve the restructuring plan and terminate the bankruptcy reorganisation process. On 3 March 2023, Snowway Mining Administrator completed the handover work with the Group and the Group obtained 100% equity interest and control of Snowway Mining.

As Snowway Mining had ceased production and business operation before the acquisition, the Group considered the acquisition of Snowway Mining is an asset acquisition in substance.

Luoyang Mining Group Co., Ltd (洛陽礦業集團有限公司) (“Luoyang Mining Group”)

The Company and its wholly-owned subsidiary, Sichuan Contemporary Amperex Technology Limited signed an “Investment Framework Agreement” with Luoyang Guohong Investment Holding Group Co., Ltd. on 30 September 2022, and an “Investment Agreement” on 31 October 2022 for the acquisition of 100% equity interests in Luoyang Mining Group, which is an investment holding company and has 24.68% equity interests in CMOC Group Limited.

48. INVESTMENTS IN SUBSIDIARIES

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Contemporary Amperex Technology (Hong Kong) Limited	495,545	5,520,335	6,336,643
Fuding Contemporary Amperex Technology Limited	4,501,477	4,505,728	4,508,961
Guangdong Ruiqing Contemporary Amperex Technology Limited	1,000,000	1,000,000	1,000,000
Jiangsu Contemporary Amperex Technology Limited	1,059,589	1,084,031	1,099,060
Ruiting Contemporary Amperex Technology (Shanghai) Limited	500,000	500,000	500,000
Sichuan Contemporary Amperex Technology Limited	2,018,345	4,239,582	4,252,724
United Auto Battery Co., Ltd.	1,275,000	1,275,000	1,275,000
Other subsidiaries	24,478,754	38,348,664	54,078,012
	<u>35,328,710</u>	<u>56,473,340</u>	<u>73,050,400</u>

Details of the Company's principal subsidiaries are set out in Note 1 to the Historical Financial Information.

49. SUBSEQUENT EVENTS

- (a) The final dividends of RMB45.53 per 10 shares (tax inclusive) in respect of the year ended 31 December 2024 were approved in 2024 Annual General Meeting of the Group on 8 April 2025. The final dividends were paid on 22 April 2025.
- (b) As at 7 May 2025, a total of 6,640,986 A shares has been repurchased by the Company, and treasury shares amounted to RMB1,551,197,674, including RMB387,703 transaction cost, therefore were recognised. The shares were repurchased with an average price of approximately RMB233.58 per share.

The following is the text of a report set out on pages IA-1 to IA-34, received from the Company's reporting accountants, Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. The information set out below is the unaudited condensed consolidated interim financial information of the Group for the three months ended 31 March 2025 and does not form part of the Accountants' Report from the reporting accountants, Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong, as set out in Appendix I to this prospectus, and is included herein for information purpose only.



**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE
DIRECTORS OF CONTEMPORARY AMPEREX TECHNOLOGY CO., LIMITED**
(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information of Contemporary Amperex Technology Co., Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages IA-3 to IA-34, which comprises the condensed consolidated statement of financial position as at 31 March 2025, and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period then ended, and notes to the interim financial information, including material accounting policy information (together, the “Interim Financial Information”). The directors of the Company are responsible for the preparation and fair presentation of this Interim Financial Information in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on this Interim Financial Information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Auditing and Assurance Standards Board. A review of this Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with

International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Other Matter

The comparative information for the condensed consolidated statement of financial position is based on the audited financial statements as at 31 December 2024. The comparative information for the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows, and related explanatory notes, for the period ended 31 March 2024 has not been audited or reviewed.

Grant Thornton Hong Kong Limited*Certified Public Accountants*

11th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong

12 May 2025

Ng Ka Kong

Practising Certificate Number: P06919

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	Three months ended 31 March	
		2025	2024
		<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Revenue	<i>4</i>	84,704,589	79,770,779
Cost of sales		(64,030,111)	(61,222,587)
Gross profit		20,674,478	18,548,192
Research and development expenses	<i>6</i>	(4,814,003)	(4,340,205)
Administrative and other operating expenses		(3,218,763)	(2,954,628)
Selling expenses		(852,316)	(863,259)
Other income	<i>5(a)</i>	5,533,234	5,838,308
Other gains and losses, net	<i>5(b)</i>	607,525	(1,797,945)
Impairment losses	<i>7</i>	(1,241,737)	(775,274)
Finance costs	<i>9</i>	(782,951)	(1,048,364)
Share of results of associates and joint ventures, net	<i>16</i>	1,469,564	665,871
Profit before income tax		17,375,031	13,272,696
Income tax expense	<i>10</i>	(2,513,397)	(2,004,579)
Profit for the period		14,861,634	11,268,117
Attributable to:			
Owners of the Company		13,962,558	10,582,397
Non-controlling interests		899,076	685,720
		14,861,634	11,268,117

APPENDIX IA	UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	Three months ended 31 March	
		2025	2024
		<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Profit for the period		14,861,634	11,268,117
Other comprehensive (loss)/income, net of tax			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
– Fair value changes on equity investments at fair value through other comprehensive income (“FVTOCI”), net of tax		(127,021)	(886,387)
– Share of other comprehensive income of associates, net of tax		93,542	50,343
<i>Items that will be reclassified subsequently to profit or loss:</i>			
– Fair value changes on financial assets at FVTOCI, net of tax		(1,474)	36,512
– Share of other comprehensive income/(loss) of associates, net of tax		412,204	(1,598)
– Cash flow hedges, net of tax.		336,603	(356,819)
– Exchange differences on translation of financial statements of foreign operations, net of tax		(99,404)	928,903
Other comprehensive income/(loss) for the period, net of tax		614,450	(229,046)
Total comprehensive income for the period		15,476,084	11,039,071
Attributable to:			
Owners of the Company		14,508,266	10,177,919
Non-controlling interests		967,818	861,152
		15,476,084	11,039,071
Earnings per share (“EPS”) for profit attributable to owners of the Company			
Basic (in RMB per share)	<i>12(a)</i>	3.18	2.41
Diluted (in RMB per share).	<i>12(b)</i>	3.18	2.41

APPENDIX IA	UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at 31 March 2025	As at 31 December 2024
		<i>RMB'000</i>	<i>RMB'000</i>
		<i>(Unaudited)</i>	
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	151,737,630	146,937,736
Right-of-use assets	14	10,077,174	10,003,361
Goodwill		893,898	894,757
Intangible assets	15	5,265,786	5,306,438
Investments in associates and joint ventures	16	56,483,298	54,791,525
Financial assets at fair value through profit or loss ("FVTPL")	17	3,138,747	3,135,658
Financial assets at FVTOCI	18	11,585,575	11,900,901
Prepayments, deposits and other assets	22	25,313,377	19,426,825
Deferred tax assets		25,303,240	24,118,834
		<u>289,798,725</u>	<u>276,516,035</u>
Current assets			
Inventories	19	65,639,666	59,835,533
Trade and bills receivables	20	60,350,906	64,265,913
Contract assets	21(a)	261,473	400,626
Prepayments, deposits and other assets	22	23,478,787	19,804,706
Financial assets at FVTPL	17	21,421,660	14,282,253
Financial assets at FVTOCI	18	43,910,963	53,309,701
Bank balances, deposits and cash	24	315,235,089	298,243,356
		<u>530,298,544</u>	<u>510,142,088</u>
Current liabilities			
Trade and bills payables	25	191,098,136	179,476,484
Contract liabilities	21(b)	37,088,532	27,834,446
Other payables and accruals	26	51,745,115	57,141,230
Borrowings	27	38,588,316	42,373,738
Lease liabilities	28	183,934	182,379
Derivative financial instruments	23	899,889	2,116,017
Income tax payable		8,604,831	8,047,240
		<u>328,208,753</u>	<u>317,171,534</u>
Net current assets		<u>202,089,791</u>	<u>192,970,554</u>
Total assets less current liabilities		<u>491,888,516</u>	<u>469,486,589</u>

	<i>Notes</i>	As at 31 March 2025	As at 31 December 2024
		<i>RMB'000</i>	<i>RMB'000</i>
		<i>(Unaudited)</i>	
Non-current liabilities			
Other payables and accruals	26	24,003,973	22,197,549
Contract liabilities	21(b)	5,215,845	5,400,795
Borrowings	27	98,240,364	94,611,079
Lease liabilities	28	571,789	662,814
Deferred tax liabilities		1,209,610	1,231,236
Provisions	29	73,507,580	71,926,943
		<u>202,749,161</u>	<u>196,030,416</u>
Net assets		<u>289,139,355</u>	<u>273,456,173</u>
EQUITY			
Share capital	30	4,403,395	4,403,466
Reserves		<u>257,154,252</u>	<u>242,526,566</u>
Equity attributable to owners of the Company . . .		261,557,647	246,930,032
Non-controlling interests		<u>27,581,708</u>	<u>26,526,141</u>
Total equity		<u>289,139,355</u>	<u>273,456,173</u>

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Attributable to owners of the Company

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APPENDIX IA

UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

Attributable to owners of the Company										
	Share capital	Treasury shares	Capital reserve	Other comprehensive income reserve	Special reserve	Statutory reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Note 30		Note 30								
As at 1 January 2024	4,399,041	(1,572,972)	87,326,214	1,528,223	9,355	2,192,566	103,825,626	197,708,053	22,175,097	219,883,150
Profit for the period	-	-	-	-	-	-	10,582,397	10,582,397	685,720	11,268,117
Other comprehensive (loss)/income for the period	-	-	-	(404,478)	-	-	-	(404,478)	175,432	(229,046)
Total comprehensive (loss)/income for the period	-	-	-	(404,478)	-	-	10,582,397	10,177,919	861,152	11,039,071
Transfer of other comprehensive income to retained earnings	-	-	-	(20,815)	-	-	20,815	-	-	-
Share-based compensation expenses	-	-	234,089	-	-	-	-	234,089	2,767	236,856
Capital injection	-	(393,376)	-	-	-	-	-	(393,376)	89,899	(303,477)
Provision of special reserve	-	-	-	-	3,370	-	-	3,370	1,764	5,134
Others	-	-	(180)	-	-	-	-	(180)	(392,162)	(392,342)
Transactions with owners	-	(393,376)	233,909	(20,815)	3,370	-	20,815	(156,097)	(297,732)	(453,829)
As at 31 March 2024 (Unaudited)	4,399,041	(1,966,348)	87,560,123	1,102,930	12,725	2,192,566	114,428,838	207,729,875	22,738,517	230,468,392

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Three months ended 31 March	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Cash flows from operating activities		
Proceeds from sales of goods	111,139,836	102,413,594
Proceeds from refund of other tax and surcharges	1,395,114	3,186,711
Cash received related to other operating activities	125,226	486,013
Interest income	1,571,226	1,725,910
Proceeds from other income	4,875,664	2,352,792
Cash paid for material and services	(69,577,367)	(68,969,931)
Cash paid for salaries	(7,189,748)	(5,633,347)
Income tax and other taxes paid	(7,120,777)	(5,717,763)
Cash paid related to other operating activities	(2,350,917)	(1,486,067)
<i>Net cash generated from operating activities</i>	<u>32,868,257</u>	<u>28,357,912</u>
Cash flows from investing activities		
Proceeds from disposal of associates, joint ventures and financial assets at fair value	1,598,211	135,951
Proceeds from disposal of property, plant and equipment, intangible assets and prepaid lease payments	30,260	14,952
Proceeds from investment income	183,232	33,934
Proceeds from other investing activities	–	11,111
Purchase of property, plant and equipment, intangible assets and prepaid lease payments	(10,342,606)	(7,081,546)
Investments in associates, joint ventures and financial assets at fair value	(9,131,508)	(70,747)
Cash outflows from acquisition of subsidiaries	–	(210,693)
Payments for other investing activities	(108,144)	(740,817)
<i>Net cash used in investing activities</i>	<u>(17,770,555)</u>	<u>(7,907,855)</u>
Cash flows from financing activities		
Capital contributions from non-controlling interests	235,710	89,899
Proceeds from borrowings	11,482,923	11,920,790
Proceeds from other financing activities	69,264	–
Repayment of borrowings	(4,911,352)	(5,090,699)
Interest paid	(721,269)	(790,260)
Dividend paid to owners of the Company	(5,284,939)	–
Dividend paid to non-controlling interests	(98,000)	(22,940)
Payments for other financing activities	(70,925)	(602,526)
<i>Net cash generated from financing activities</i>	<u>701,412</u>	<u>5,504,264</u>

	<i>Note</i>	Three months ended 31 March	
		2025	2024
		<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Net increase in cash and cash equivalents		15,799,114	25,954,321
Cash and cash equivalents at the beginning of the period		270,159,734	238,165,487
Effect of foreign exchange rate changes		341,988	(1,011,613)
Cash and cash equivalents at the end of the period	24	<u>286,300,836</u>	<u>263,108,195</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was a limited liability company incorporated in the People's Republic of China (the "PRC") on 16 December 2011 and changed to a joint stock limited company on 15 December 2015. The Company's A shares are listed on Shenzhen Stock Exchange on 11 June 2018. The address of the Company's registered office and its principal place of business is No. 2, Xingang Road, Zhangwan Town, Jiaocheng District, Ningde City, Fujian Province, the PRC.

During the three months ended 31 March 2025, the Company and its subsidiaries are principally engaged in the research, development, production and sales of electric vehicle ("EV") batteries and energy storage system ("ESS") batteries.

In the opinion of the directors, the Company's ultimate holding company is Xiamen Ruiting Investment Co., Ltd., a company incorporated in the PRC and controlled by Mr. Zeng Yuqun.

In this Interim Financial Information, certain English names of the companies referred herein represent management's best effort to translate the Chinese names of the companies as no English names have been registered.

2. BASIS OF PRESENTATION AND PREPARATION

The Interim Financial Information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board.

The Interim Financial Information has been prepared in accordance with the same accounting policies and critical accounting estimates and judgments adopted in the historical financial information for the years ended 31 December 2022, 2023 and 2024 (the "Historical Financial Information") as disclosed in Appendix I to the prospectus issued by the Company.

The Interim Financial Information does not include all of the information and disclosures required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs"). Accordingly, this Interim Financial Information should be read in conjunction with the Historical Financial Information.

3. ADOPTION OF NEW AND AMENDED IFRSs

Amended IFRSs that are effective for annual periods beginning on 1 January 2025

The adoption of amended IFRSs as described below.

Amendments to IAS 21 Lack of Exchangeability

The adoption of these amended IFRSs had no material impact on the Interim Financial Information.

Issued but not yet effective IFRSs

The Group has not early adopted the following new and amended IFRSs which have been issued but are not yet effective:

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

- ¹ Effective for annual periods beginning on or after 1 January 2026
- ² Effective for annual periods beginning on or after 1 January 2027
- ³ Effective date not yet determined

The Group has already commenced an assessment of the impact of these new and amended IFRSs, certain of which are relevant to the Group's operations. According to the preliminary assessment made by management, no significant impact on the financial performance and positions of the Group is expected when they become effective.

4. REVENUE AND SEGMENT INFORMATION

4.1 Revenue

The Group's principal activities are disclosed in Note 1 to the Interim Financial Information. The Group derives revenue from the transfer of goods and services at a point in time or services over time are analysed as follows:

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Type of goods and services		
– EV batteries	63,167,027	55,431,659
– ESS batteries.	11,490,893	13,571,544
– Battery materials and recycling	4,762,911	6,335,279
– Battery mineral resources	1,536,315	1,079,712
– Others	3,747,443	3,352,585
	<u>84,704,589</u>	<u>79,770,779</u>
Timing of revenue recognised		
– At a point in time.	84,392,553	79,459,820
– Over time.	312,036	310,959
	<u>84,704,589</u>	<u>79,770,779</u>

4.2 Segment information

The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Management reviews the performance of the Group as a single operating segment based on the internal organisation structure, management requirements and internal reporting system. No separate analysis of the segment results by reportable segment is necessary.

Geographical information

The following table sets out the information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services are provided or the goods are delivered.

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue from external customers		
– Mainland China	56,575,604	55,777,884
– Other countries/regions	28,128,985	23,992,895
	<u>84,704,589</u>	<u>79,770,779</u>

The geographical location of non-current assets, mainly comprised of property, plant and equipment (excluding exterior facilities and others), is based on the physical location of these assets. As at 31 March 2025 and 31 December 2024, more than 80% of the Group's non-current assets are located in the PRC.

Information about major customers

Revenue from external customers which individually contributed over 10% of the Group's revenue during the three months ended 31 March 2025 and 2024 is as follows:

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue from external customers		
Customer A (<i>Note (a)</i>)	12,160,756	12,731,412
Customer B (<i>Note (b)</i>)	10,912,025	N/A

Notes:

- (a) The revenue contributed from the customer A is derived from sales of EV batteries and ESS batteries.
- (b) The revenue contributed from the customer B is derived from sales of EV batteries during the three months ended 31 March 2025. The corresponding revenue did not individually contribute over 10% of the Group's revenue during the three months ended 31 March 2024.

5. OTHER INCOME AND OTHER GAINS AND LOSSES, NET**(a) Other income**

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Interest income.	2,384,036	2,632,484
Others	3,149,198	3,205,824
	<u>5,533,234</u>	<u>5,838,308</u>

(b) Other gains and losses, net

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Fair value gains/(losses) on financial assets at FVTPL	25,565	(73,451)
Losses on disposal of property, plant and equipment, right-of-use assets and intangible assets	(14,566)	(17,704)
(Losses)/Gains on disposal/deemed disposal of investments in subsidiaries, associates and joint ventures, net	(147,286)	180,941
Interest income from financial assets at FVTPL	85,809	30,337
Losses from derecognition of financial assets at FVTOCI . . .	(134,561)	(68,835)
Net foreign exchange gains/(losses)	722,561	(1,819,897)
Others	70,003	(29,336)
	<u>607,525</u>	<u>(1,797,945)</u>

6. RESEARCH AND DEVELOPMENT EXPENSES

	Three months ended 31 March	
	2025	2024
	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Employee benefit expenses	2,304,965	2,216,064
Material cost	1,021,106	737,394
Others	1,487,932	1,386,747
	<u>4,814,003</u>	<u>4,340,205</u>

7. EXPENSES BY NATURE

Expenses included in cost of sales, research and development expenses, selling expenses and administrative and other operating expenses are analysed as follows:

	Three months ended 31 March	
	2025	2024
	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Depreciation		
– Property, plant and equipment	5,739,532	6,111,653
– Right-of-use assets	110,997	89,305
	<u>5,850,529</u>	<u>6,200,958</u>
Provision for/(Reversal of) for impairment losses on assets, net		
– Inventories	1,155,102	522,535
– Contract assets, net	(45,163)	(14,978)
– Trade and other receivables, net	131,798	267,717
	<u>1,241,737</u>	<u>775,274</u>
Amortisation of intangible assets	62,529	52,883
Auditor's remuneration	6,300	4,960
Direct cost of inventories recognised as an expense	44,700,164	49,436,298
Short-term lease charges	133,939	179,128

8. EMPLOYEE BENEFIT EXPENSES

	Three months ended 31 March	
	2025	2024
	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Salaries, allowances, discretionary bonuses, benefits in kind and retirement scheme contributions	8,921,490	7,311,998
Share-based compensation expenses	109,993	236,856
	<u>9,031,483</u>	<u>7,548,854</u>

9. FINANCE COSTS

	Three months ended 31 March	
	2025	2024
	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Interest expenses on borrowings	808,155	1,087,632
Interest expenses on lease liabilities	14,983	19,726
	823,138	1,107,358
Less: interest capitalised	(40,187)	(58,994)
	782,951	1,048,364

10. INCOME TAX EXPENSE

	Three months ended 31 March	
	2025	2024
	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Current income tax	3,845,219	3,927,473
Deferred income tax	(1,331,822)	(1,922,894)
Income tax expense	2,513,397	2,004,579

PRC Enterprise Income Tax ("EIT")

The income tax provision of certain PRC entities of the Group has been calculated at the statutory tax rate of 25% on the estimated assessable profits for the three months ended 31 March 2025 and 2024, based on the existing legislation, interpretations and practices in respect thereof.

The preferential income tax rate applicable to certain subsidiaries of the Group within the scope of the China's Western Development Programme was 15% for the three months ended 31 March 2025 and 2024.

Pursuant to the relevant laws and regulations in the PRC, certain PRC subsidiaries of the Group obtained the High and New Technology Enterprises qualification and benefit from a preferential tax rate of 15%.

Pursuant to the relevant laws and regulations in the PRC, one of the PRC subsidiaries is a key software enterprise encouraged by the state, and it will be exempted from EIT from the first year to the fifth year from the year of profit, and the EIT will be taxed at 10% starting from the sixth year. The subsidiary recorded profit since 2022.

Hong Kong Profits Tax

The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the three months ended 31 March 2025 and 2024.

Corporate income tax in other jurisdictions

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries. The income tax rates of the subsidiaries in Germany and Hungary are 30.175% to 32.975% and 11.3%, respectively for the three months ended 31 March 2025 and 2024.

11. DIVIDENDS

The final dividends of RMB45.53 per 10 shares (tax inclusive) in respect of the year ended 31 December 2024 were approved in 2024 Annual General Meeting of the Group on 8 April 2025. The final dividends have not been recognised as a liability but reflected as an appropriation of retained profits for the year ended 31 December 2024. The final dividends were paid on 22 April 2025.

12. EPS ATTRIBUTABLE TO OWNERS OF THE COMPANY**(a) Basic EPS**

Basic EPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the three months ended 31 March 2025 and 2024, excluding treasury shares held for share schemes as these shares are not considered outstanding for EPS calculation purposes.

The following table illustrates the earnings and share information used in the calculation of basic EPS:

	Three months ended 31 March	
	2025	2024
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company used in calculating basic EPS (RMB'000)	13,962,558	10,582,397
Weighted average number of ordinary shares in issue (thousand shares)	4,387,403	4,385,173
Basic EPS (RMB)	3.18	2.41

(b) Diluted EPS

The share schemes granted by the Company and the subsidiaries have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding, excluding treasury shares held for share schemes, by the assumption of the conversion of all potential dilutive ordinary shares arising from share schemes (collectively forming the denominator for computing the diluted EPS).

	Three months ended 31 March	
	2025	2024
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company used in calculating diluted EPS (RMB'000)	13,962,558	10,582,397
Weighted average number of ordinary shares in issue (thousand shares)	4,387,403	4,385,173
Adjustments for potential shares arising from share schemes (thousand shares)	511	2,979
Weighted average number of ordinary shares used in calculating diluted EPS (thousand shares)	4,387,914	4,388,152
Diluted EPS (RMB)	3.18	2.41

13. PROPERTY, PLANT AND EQUIPMENT

	As at 31 March 2025	As at 31 December 2024
	RMB'000 (Unaudited)	RMB'000
Properties and buildings	57,862,685	56,522,165
Machinery.	49,376,409	51,794,473
Transportation equipment	186,247	169,534
Electronic equipment	1,023,622	993,923
Special equipment	3,534,265	2,953,344
Other equipment	159,438	155,614
Exterior facilities and others	4,373,264	4,593,980
Construction in progress	35,221,700	29,754,703
Total	151,737,630	146,937,736

Notes:

- (a) The carrying amounts of the properties and buildings amounted to RMB12,515,530,000 and RMB13,949,065,000 as at 31 March 2025 and 31 December 2024, respectively, are in the process of obtaining the property ownership certificates. The directors of the Company are of the opinion that the relevant certificates would be obtained in the near future, the Group is entitled to lawfully and validly occupy and use the buildings, and therefore the aforesaid matter did not have any significant impact on the Group's Interim Financial Information.

The Group has pledged certain property, plant and equipment with the following carrying amounts to secure borrowings granted to the Group. Details of the Group's assets pledged for the Group's borrowings are disclosed in Note 33 to the Interim Financial Information.

	As at 31 March 2025	As at 31 December 2024
	RMB'000 (Unaudited)	RMB'000
Properties and buildings	5,439,951	5,454,799
Machinery.	1,243,235	1,340,692
Construction in progress	298,628	334,977
Total	6,981,814	7,130,468

- (b) Depreciation of the Group's property, plant and equipment has been recognised as follows:

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Properties and buildings	854,685	654,277
Machinery.	4,337,941	4,950,106
Transportation equipment	6,753	7,537
Electronic equipment	103,010	98,711
Special equipment	56,298	22,091
Other equipment	32,410	35,187
Exterior facilities and others	348,435	343,744
Total	5,739,532	6,111,653

14. RIGHT-OF-USE ASSETS

The carrying amount of the Group's right-of-use assets is analysed as follows:

	As at 31 March 2025	As at 31 December 2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Prepaid lease payments	9,231,146	9,113,366
Leased properties and equipment	846,028	889,995
Total	<u>10,077,174</u>	<u>10,003,361</u>

Certain prepaid lease payments are pledged for the Group's borrowings, details are disclosed in Note 33 to the Interim Financial Information.

Depreciation of the Group's right-of-use assets has been recognised as follows:

	Three months ended 31 March	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Prepaid lease payments	59,780	51,833
Leased properties and equipment	51,217	37,472
Total	<u>110,997</u>	<u>89,305</u>

15. INTANGIBLE ASSETS

	As at 31 March 2025	As at 31 December 2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Patent rights and non-patented technologies	418,535	440,760
Software	358,656	374,043
Mining and exploration rights	4,425,865	4,428,905
Trademarks and domain names	62,730	62,730
Total	<u>5,265,786</u>	<u>5,306,438</u>

Amortisation of the Group's intangible assets has been recognised as follows:

	Three months ended 31 March	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Patent rights and non-patented technologies	23,514	25,697
Software	35,975	21,258
Mining and exploration rights	3,040	5,928
Total	<u>62,529</u>	<u>52,883</u>

Certain intangible assets are pledged as security for the Group's borrowings, details are disclosed in Note 33 to the Interim Financial Information.

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

(a) Investments in associates

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
At the beginning of the period	53,327,031	48,967,835
Additions	1,847,671	43,550
Disposals	(2,070,450)	(59,493)
Share of results, net.	1,480,596	696,252
Share of other comprehensive income, net	420,500	48,745
Share of non-controlling interest	85,246	—
Gains on deemed disposal of investments in associates	—	72,474
Change in other equity	6,350	—
Dividends declared	—	(76)
Exchange realignment	(21,253)	(11,586)
Unrealised loss	(109,855)	—
At the end of the period	54,965,836	49,757,701

The Group's investments in associates mainly included the investments in CMOC Group Limited, which is a public listed company.

There was no other associate of the Group as at 31 March 2025 which, in the opinion of the directors, was material to the Group.

(b) Investments in joint ventures

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
At the beginning of the period	1,464,494	1,059,859
Additions	64,000	—
Share of results, net.	(11,032)	(30,381)
Transfer to a subsidiary	—	(200,900)
At the end of the period	1,517,462	828,578

Investments in joint ventures of the Group are mainly included the investments in Fujian Contemporary Mindong New Energy Industry Equity Investment Partnership (Limited Partnership) and Fujian Contemporary Zeyuan Equity Investment Fund Partnership (Limited Partnership).

There was no joint venture of the Group as at 31 March 2025 which, in the opinion of the directors, was material to the Group.

17. FINANCIAL ASSETS AT FVTPL

	As at 31 March 2025	As at 31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	
Non-current		
Equity investments at fair value (<i>Note (a)</i>).	3,138,747	3,135,658
Current		
Equity investments at fair value (<i>Note (a)</i>).	410,148	–
Wealth management products and structured deposits (<i>Note (b)</i>)	21,011,512	14,282,253
	21,421,660	14,282,253
	24,560,407	17,417,911

Notes:

- (a) Financial assets at FVTPL comprise listed and unlisted equity securities which are held for trading.
- (b) The wealth management products are managed by licensed financial institutions to invest principally in certain financial assets.

18. FINANCIAL ASSETS AT FVTOCI

	As at 31 March 2025	As at 31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	
Non-current		
Equity investments at fair value (<i>Note (a)</i>).	11,585,575	11,900,901
Current		
Trade and bills receivables measured at FVTOCI (<i>Note (b)</i>) . .	43,910,963	53,309,701
	55,496,538	65,210,602

Notes:

- (a) Financial assets at FVTOCI comprise listed and unlisted equity investments which are not held for trading.
- (b) Certain bills held by the Group for the practice of discounting/endorsing to financial institutions/suppliers before the bills maturity date were classified as “trade and bills receivables measured at FVTOCI” under financial assets at FVTOCI in the condensed consolidated statement of financial position. As at 31 March 2025 and 31 December 2024, all the bills are with a maturity period of less than 12 months. The Group considers the credit risk is limited because counterparties are financial institutions with good credit standing and are highly likely to be paid, and the ECL are considered as insignificant.

19. INVENTORIES

	As at 31 March 2025	As at 31 December 2024
	RMB'000 (Unaudited)	RMB'000
Raw materials	10,806,641	11,427,292
Work in progress	13,748,473	11,788,174
Finished goods	44,467,604	38,994,567
Costs to fulfil a contract	3,512,338	3,684,683
	72,535,056	65,894,716
Less: provision for impairment	(6,895,390)	(6,059,183)
	65,639,666	59,835,533

20. TRADE AND BILLS RECEIVABLES

	As at 31 March 2025	As at 31 December 2024
	RMB'000 (Unaudited)	RMB'000
Trade receivables	62,869,049	66,776,402
Less: ECL allowance	(2,686,620)	(2,640,892)
Trade receivables, net	60,182,429	64,135,510
Bills receivable	168,477	130,403
	60,350,906	64,265,913

Certain trade and bills receivables are pledged as security for the Group's borrowings, details are disclosed in Note 33 to the Interim Financial Information.

The aging analysis of trade receivables (based on date of revenue recognition), net of ECL allowance, is as follows:

	As at 31 March 2025	As at 31 December 2024
	RMB'000 (Unaudited)	RMB'000
0 – 90 days	53,652,242	59,868,001
91 – 365 days	5,838,654	3,850,339
Over 365 days	691,533	417,170
	60,182,429	64,135,510

Movements in ECL allowance on trade receivables are as follows:

	As at 31 March 2025	As at 31 December 2024
	RMB'000 (Unaudited)	RMB'000
At the beginning of the period/year	2,640,892	2,044,923
ECL allowance recognised, net	45,917	611,041
Written off	(76)	(13,998)
Exchange realignment	(113)	(1,074)
At the end of the period/year	2,686,620	2,640,892

As at 31 March 2025 and 31 December 2024, all the Group's bills receivable are neither past due nor impaired. The Group expects that there is no significant credit risk associated with bills receivable since they are held with state-owned or reputable banks in the PRC. The directors do not expect that there will be any significant credit losses from non-performance by these counterparties. No provision for loss allowance was made during the three months ended 31 March 2025 and 2024.

21. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	As at 31 March 2025	As at 31 December 2024
	RMB'000	RMB'000
	(Unaudited)	
Contract assets	266,230	450,546
Less: ECL allowance	(4,757)	(49,920)
	<u>261,473</u>	<u>400,626</u>

Contract assets primarily arise from the sales of battery-related business.

(b) Contract liabilities

	As at 31 March 2025	As at 31 December 2024
	RMB'000	RMB'000
	(Unaudited)	
Current	37,088,532	27,834,446
Non-current	5,215,845	5,400,795
	<u>42,304,377</u>	<u>33,235,241</u>

The Group receives payments of the contract from customers based on billing schedule as set out in the contracts for providing new energy applications including EV batteries, ESS batteries, sales of battery materials and recycling.

22. PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	As at 31 March 2025	As at 31 December 2024
	RMB'000	RMB'000
	(Unaudited)	
Non-current		
Deposits (<i>Note</i>)	8,898,097	8,910,741
Finance lease receivables	176,608	151,342
Prepayment on construction and equipment	14,755,815	8,504,151
Prepayment for inventories (<i>Note</i>)	1,355,144	1,732,644
Others	127,713	127,947
	<u>25,313,377</u>	<u>19,426,825</u>

APPENDIX IA

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

	As at 31 March 2025	As at 31 December 2024
	RMB'000	RMB'000
	(Unaudited)	
Current		
Deposits and other assets	2,588,034	2,590,956
Prepayments	7,417,713	5,969,685
Finance lease receivables	78,040	72,972
Interest receivables	6,088,565	5,268,637
Prepaid corporate income tax	49,966	37,804
Other tax receivables	7,236,913	6,199,640
Others	482,308	49,021
Less: ECL allowance	(462,752)	(384,009)
	<u>23,478,787</u>	<u>19,804,706</u>
	<u>48,792,164</u>	<u>39,231,531</u>

Note: As at 31 March 2025 and 31 December 2024, there are prepayment for inventories due from an associate of RMB1,355,144,000 and RMB1,732,644,000, respectively and deposits due from an associate of RMB8,898,097,000 and RMB8,910,741,000, respectively.

Movements in ECL allowance on deposits and other assets are as follows:

	Stage 1	Stage 2	Stage 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	101,922	–	108,070	209,992
Provision	243,737	–	17,748	261,485
Written off	(87,055)	–	–	(87,055)
Exchange realignment	(413)	–	–	(413)
As at 31 December 2024 and 1 January 2025	258,191	–	125,818	384,009
Provision	85,881	–	–	85,881
Written off	(7,180)	–	–	(7,180)
Exchange realignment	42	–	–	42
As at 31 March 2025	<u>336,934</u>	<u>–</u>	<u>125,818</u>	<u>462,752</u>

23. DERIVATIVE FINANCIAL INSTRUMENTS

The Group's derivative financial instruments are measured at fair value and are summarised below:

	As at 31 March 2025	As at 31 December 2024
	RMB'000	RMB'000
	(Unaudited)	
Cash flow hedge		
– Foreign exchange risk contracts	(643,542)	(1,813,628)
– Commodity price risk contracts	13,817	(2,962)
	<u>(629,725)</u>	<u>(1,816,590)</u>
Fair value hedge		
– Foreign exchange risk contracts	(270,164)	(299,427)
	<u>(899,889)</u>	<u>(2,116,017)</u>

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24. BANK BALANCES, DEPOSITS AND CASH

	As at 31 March 2025	As at 31 December 2024
	RMB'000 (Unaudited)	RMB'000
Cash and cash equivalents	286,300,836	270,159,734
Time deposits and restricted cash	28,934,253	28,083,622
	<u>315,235,089</u>	<u>298,243,356</u>

Certain restricted cash is pledged as security for the Group's borrowings, details are disclosed in Note 33 to the Interim Financial Information.

25. TRADE AND BILLS PAYABLES

	As at 31 March 2025	As at 31 December 2024
	RMB'000 (Unaudited)	RMB'000
Trade payables		
– that are not part of supplier finance arrangement (“SFA”) . .	63,910,539	67,757,752
– that are part of SFA (Note 31)	47,343,432	44,362,409
	<u>111,253,971</u>	<u>112,120,161</u>
Bills payable	79,844,165	67,356,323
	<u>191,098,136</u>	<u>179,476,484</u>

As at 31 March 2025 and 31 December 2024, there were no significant trade payables aged over 1 year (on invoice date basis).

Details of the Group's assets pledged for the Group's bills payable are disclosed in Note 33 to the Interim Financial Information.

26. OTHER PAYABLES AND ACCRUALS

	As at 31 March 2025	As at 31 December 2024
	RMB'000 (Unaudited)	RMB'000
Non-current		
Deferred income	23,847,636	22,041,069
Premium payables on acquiring mining rights	156,337	156,480
	<u>24,003,973</u>	<u>22,197,549</u>
Current		
Accrued expenses	4,203,672	4,541,876
Construction and equipment payables	17,408,524	18,857,247
Dividend payables	–	5,400,161
Deposits received	4,410,111	4,478,969
Employee benefits payables	20,320,028	18,653,079
Other tax liabilities	3,823,056	3,447,398
Premium payables on acquiring mining rights	23,617	21,582
Others	1,556,107	1,740,918
	<u>51,745,115</u>	<u>57,141,230</u>
	<u>75,749,088</u>	<u>79,338,779</u>

27. BORROWINGS

	As at 31 March 2025	As at 31 December 2024
	RMB'000 (Unaudited)	RMB'000
Pledged borrowings	477,423	554,816
Mortgaged borrowings	5,985,604	6,011,659
Mortgaged and guaranteed borrowings (Note)	11,689,546	10,840,360
Guaranteed borrowings (Note)	38,784,306	36,444,429
Credit borrowings	58,960,736	62,215,700
Secured other borrowings	1,545,957	1,483,457
Corporate bonds	19,385,108	19,434,396
Total borrowings	136,828,680	136,984,817
Less: current portion		
Pledged borrowings	42,903	97,159
Mortgaged borrowings	959,026	958,614
Mortgaged and guaranteed borrowings (Note)	1,014,975	881,289
Guaranteed borrowings (Note)	3,365,670	2,968,507
Credit borrowings	25,688,889	29,922,939
Secured other borrowings	45,957	33,457
Corporate bonds	7,470,896	7,511,773
	38,588,316	42,373,738
	98,240,364	94,611,079

As at 31 March 2025 and 31 December 2024, the borrowings bear effective interest rates from 1.80% to 5.28% and 1.74% to 5.48% per annum, respectively.

Note: The amounts were guaranteed by the Company and certain subsidiaries within the Group.

During the three months ended 31 March 2025 and 2024, the Group did not violate any financial covenants under the agreements of borrowings. The Group's borrowings were repayable as follows:

	As at 31 March 2025	As at 31 December 2024
	RMB'000 (Unaudited)	RMB'000
Analysed as:		
Bank borrowings		
– Within 1 year	31,071,463	34,828,508
– Over 1 year but within 2 years	24,103,836	22,611,084
– Over 2 years but within 5 years	38,946,464	36,384,553
– Over 5 years	21,775,852	22,242,819
	115,897,615	116,066,964
Other borrowings		
– Within 1 year	45,957	33,457
– Over 2 years but within 5 years	750,000	700,000
– Over 5 years	750,000	750,000
	1,545,957	1,483,457
Corporate bonds		
– Within 1 year	7,470,896	7,511,773
– Over 1 year but within 5 years	8,433,394	8,414,035
– Over 5 years	3,480,818	3,508,588
	19,385,108	19,434,396
	136,828,680	136,984,817

28. LEASE LIABILITIES

	As at 31 March 2025	As at 31 December 2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Current	183,934	182,379
Non-current	571,789	662,814
	<u>755,723</u>	<u>845,193</u>

The total cash outflows for the leases including short-term leases for the three months ended 31 March 2025 and 2024 were RMB151,741,000 and RMB183,185,000, respectively.

29. PROVISIONS

	As at 31 March 2025	As at 31 December 2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
After-sale service fee	41,717,471	39,070,181
Sale rebate	31,653,143	32,721,170
Others	136,966	135,592
	<u>73,507,580</u>	<u>71,926,943</u>

30. SHARE CAPITAL AND TREASURY SHARES

The changes in share capital are as follows:

	Three months ended 31 March	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Issued and fully paid:		
At the beginning of the period	4,403,466	4,399,041
Shares issued under restricted stock incentive plan (<i>Note (a)</i>)	(71)	–
At the end of the period	<u>4,403,395</u>	<u>4,399,041</u>
Number of ordinary shares (in thousands)	<u>4,403,395</u>	<u>4,399,041</u>

The changes in treasury shares are as follows:

	Three months ended 31 March	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Paid-in capital/Nominal value of ordinary shares:		
At the beginning of the period	2,712,804	1,572,972
Shares issued under restricted stock incentive plan (<i>Note (a)</i>)	(1,412)	–
Repurchase of shares (<i>Note (b)</i>)	–	393,376
At the end of the period	<u>2,711,392</u>	<u>1,966,348</u>
Number of treasury shares (in thousands)	<u>15,992</u>	<u>15,123</u>

Notes:

- (a) On 24 February 2025, a total of 71,547 restricted shares granted in 2019 Incentive Plan was cancelled, as participants have resigned or did not meet the performance requirements. Therefore, the share capital of RMB71,547, treasury stock of RMB1,412,293 and capital reserve of RMB1,340,746 were reduced.
- (b) For the three months ended 31 March 2024, a total of 2,522,718 A shares have been repurchased, and treasury stocks amounted to RMB393,376,247, including transaction cost of RMB98,338, therefore were recognised. The shares were repurchased with an average price of RMB155.93 per share.

31. SFA

The Group introduces a third-party supply chain information service platform to provide services to its suppliers with the Group's electronic debt certificates. The Group's payment obligations under the electronic debt certificates are unconditional and irrevocable, and unaffected by any commercial disputes between the parties involved in the transfer of the electronic debt certificates. The Group shall not claim set-off or raise any defense against the payment obligations. According to the business rules, the Group shall settle the amounts stated in the electronic debt certificates on the payment date. The electronic debt certificates are transferable and financially viable.

	As at 31 March 2025	As at 31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	
Carrying amount of financial liabilities that are part of SFA		
Presented as part of:		
– Trade and bills payables (<i>Note 25</i>)	47,343,432	44,362,409
Payments have been received by the suppliers from the finance providers:		
– Trade and bills payables	34,349,583	33,088,172

The range of payment due dates for the liabilities presented as trade and bills payables that are part of SFA and those comparable trade payables that are not part of SFA had no significant changes. The payment days are generally within 90 days.

32. FINANCIAL GUARANTEE CONTRACT

The Group has executed guarantees with respect to loans and factoring to its significant related parties and third parties. Under the guarantees, the Group would be liable to pay the lender if the lender is unable to recover the loans and factoring. As at 31 March 2025 and 31 December 2024, the outstanding balance of the loans and factoring represents the Group's maximum exposure under the financial guarantee contract.

	As at 31 March 2025	As at 31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	
Guarantees to related parties		
Original amount of loans and factoring	3,352,313	3,354,506
Guarantee amount executed	678,098	678,221
Outstanding balance of guarantee amount	560,738	537,653
Guarantees to third parties		
Original amount of loans and factoring	6,620,000	6,620,000
Guarantee amount executed	10,512,000	10,512,000
Outstanding balance of guarantee amount	3,796,000	3,796,000

33. PLEDGED ASSETS

The Group's certain assets have been pledged to secure bills payable, borrowings and banking facilities granted to the Group. The carrying amounts of the pledged assets of the Group as at 31 March 2025 and 31 December 2024 are as follows:

	As at 31 March 2025	As at 31 December 2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Property, plant and equipment	6,981,814	7,130,468
Prepaid lease payments	1,415,384	1,423,029
Intangible assets	127,086	127,098
Trade and bills receivables	170,314	132,403
Restricted cash	23,548,994	23,339,555
	<u>32,243,592</u>	<u>32,152,553</u>

34. COMMITMENTS**(a) Capital commitments**

As at 31 March 2025 and 31 December 2024, capital commitments contracted but not provided for in the Interim Financial Information are as follows:

	As at 31 March 2025	As at 31 December 2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Contracted, but not provided for, net of deposits		
– Property, plant and equipment	<u>15,086,741</u>	<u>11,268,941</u>

(b) As lessee

As at 31 March 2025 and 31 December 2024, the Group's lease commitments for short-term leases are as follows:

	As at 31 March 2025	As at 31 December 2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Within one year	<u>420,182</u>	<u>353,690</u>

35. RELATED PARTY TRANSACTIONS

Other than as disclosed in elsewhere to the Interim Financial Information, the Group entered into the following material related party transactions during the three months ended 31 March 2025 and 2024.

(a) Relationships with related parties

Name of related party	Relationship with the Group
Anmai Contemporary Intelligent Manufacturing (Ningde) Co., Ltd.* (安脈時代智能製造(寧德)有限公司)	An associate of the Group
AutoFlightx Inc. and its subsidiaries.	Associate of the Group from August 2024
Avita Technology (Chongqing) Co., Ltd.* (阿維塔科技(重慶)有限公司).	An associate of the Group
Beijing Kuche Yimei Network Technology Co., Ltd.* (北京酷車易美網絡科技有限公司)	An associate of the Group
Changzhou Liyuan New Energy Technology Co., Ltd. (常州鋰源新能源科技有限公司) and its subsidiaries	Associates of the Group
Changzhou Mengteng Intelligent Equipment Co., Ltd.* (常州孟騰智能裝備有限公司)	An associate of the Group before February 2025
China Automotive Battery Research Institute Co., Ltd.* (國聯汽車動力電池研究院有限責任公司)	An associate of the Group
CMOC Group Limited (洛陽樂川鋁業集團股份有限公司) and its subsidiaries.	Associates of the Group
Foshan Huapu Gas Technology Co., Ltd.* (佛山華普氣體科技有限公司)	An associate of the Group
Fujian Contemporary Nebula Technology Co., Ltd.* (福建時代星雲科技有限公司).	An associate of the Group
Fujian Hongda Contemporary Amperex Technology Co., Ltd.* (福建宏大時代新能源科技有限公司)	An associate of the Group
Fujian Ningde Zhixiang Unlimited Technology Co., Ltd.* (福建寧德智享無限科技有限公司) and its subsidiary.	Associates of the Group
Fujian Yongfu Power Engineering Co., Ltd.* (福建永福電力設計股份有限公司) and its subsidiary.	Associates of the Group
Ganghua Times Smart Energy Technology (Suzhou) Co., Ltd.* (港華時代智慧能源科技(蘇州)有限公司)	An associate of the Group
Geo Micro Devices (Xiamen) Co., Ltd.* (格威半導體(廈門)有限公司).	An associate of the Group
Guian New Area Zhongke Xingcheng Graphite Co., Ltd.* (貴安新區中科星城石墨有限公司)	An associate of the Group
Guizhou Phosphating New Energy Technology Co., Ltd.* (貴州磷化新能源科技有限責任公司).	An associate of the Group
Guoning Xinchu (Fujian) Technology Co., Ltd.* (國寧新儲(福建)科技有限公司)	An associate of the Group from April 2024
Hangzhou Anmaisheng Intelligent Technology Co., Ltd.* (杭州安脈盛智能技術有限公司) and its subsidiary	Associates of the Group
Henan Yuexin Times New Energy Technology Co., Ltd.* (河南躍薪時代新能源科技有限公司).	An associate of the Group
Jiangxi Chunyou Lithium Industry Co., Ltd.* (江西春友鋰業有限公司).	An associate of the Group
Jiangxi Shenghua New Materials Co., Ltd.* (江西升華新材料有限公司) and its subsidiary	Associates of the Group before August 2024
Newstride Technology Limited and its subsidiary.	Associates of the Group
Ningde Huizhi Magnesium Aluminum Technology Co., Ltd.* (寧德匯智鎂鋁科技有限公司) formerly known as Ningde Wenda Magnesium Aluminum Technology Co., Ltd.* (寧德文達鎂鋁科技有限公司).	An associate of the Group
Ningde Times Kostar Technology Co., Ltd.* (寧德時代科士達科技有限公司)	An associate of the Group

Name of related party	Relationship with the Group
Ningxiang Jinli-Brup Environmental Technology Co., Ltd.* (寧鄉金鋰邦普環保科技有限公司)	An associate of the Group
PT. Sumberdaya Arindo	An associate of the Group
PT. QMB New Energy Materials (青美邦新能源材料有限公司) and its subsidiary	Associates of the Group
Qujing Lintie Technology Co., Ltd.* (曲靖市麟鐵科技有限公司) and its subsidiary	Associates of the Group
Shandong Genyuan New Materials Co., Ltd.* (山東亘元新材料股份有限公司) and its subsidiaries	Associates of the Group
Shanghai Core Times New Energy Technology Co., Ltd.* (上海芯時代新能源科技有限公司)	An associate of the Group
Shanghai Jieneng Zhidian New Energy Technology Co., Ltd.* (上海捷能智電新能源科技有限公司)	An associate of the Group
Shanghai Qiyuanxin Power Technology Co., Ltd.* (上海啟源芯動力科技有限公司)	An associate of the Group
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.* (上海杉杉鋰電材料科技有限公司) and its subsidiaries	Associates of the Group
Shenzhen Gecko New Energy Vehicle Technology Co., Ltd.* (深圳壁虎新能源汽車科技有限公司)	An associate of the Group
Shenzhen Geesun Intelligent Technology Co., Ltd. (深圳吉陽智能科技有限公司) and its subsidiaries	Associates of the Group
Shenzhen Shengde New Energy Technology Co., Ltd.* (深圳盛德新能源科技有限公司) and its subsidiary	Associates of the Group
Times Guangqi Power Battery Co., Ltd.* (廣汽時代動力電池系統有限公司)	An associate of the Group
Times Smart Technology (Fujian) Co., Ltd.* (時代智慧科技(福建)有限公司) and its subsidiary	Associates of the Group
United Auto Battery System Co., Ltd. (上汽時代動力電池系統有限公司)	An associate of the Group
Wuxi Lead Intelligent Equipment Co., Ltd. (無錫先導智能裝備股份有限公司) and its subsidiaries	Associates of the Group before March 2025
Xiamen Xinnengda Technology Co., Ltd.* (廈門新能達科技有限公司) and its subsidiary	Associates of the Group
Yibin Tianyi Lithium Technology Innovation Co., Ltd. (宜賓市天宜鋰業科創有限公司) and its subsidiary	Associates of the Group
Yichun Longpan Era Lithium Industry Technology Co., Ltd.* (宜春龍蟠時代鋰業科技有限公司)	An associate of the Group
Yifeng Huaqiao Yongtuo Mining Co., Ltd.* (宜豐縣花橋永拓礦業有限公司) and its subsidiary	Associates of the Group
Chengdu Electric Service Trading Investment Energy Technology Co., Ltd.* (成都電服交投能源科技有限公司)	A joint venture of the Group
Jinjiang Min Investment Electric Power Storage Technology Co., Ltd.* (晉江閩投電力儲能科技有限公司)	A joint venture of the Group
Shanghai Kuaibu New Energy Technology Co., Ltd.* (上海快卜新能源科技有限公司) and its subsidiary	Joint ventures of the Group
Hainan Yi'an Business Consulting Co., Ltd.* (海南亦安商務諮詢有限公司)	A related company controlled by a close-member of the key management personnel of the Company before December 2024

* For Identification only

(b) Transactions with related parties

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Sales transactions		
– Associates	1,318,925	1,764,084
– Joint ventures	9,012	2,786
– A related company or key management personnel	–	12
	<u>1,327,937</u>	<u>1,766,882</u>
Procurement transactions		
– Associates	6,718,840	5,035,944
– Joint ventures	635	–
– A related company or key management personnel	–	250
	<u>6,719,475</u>	<u>5,036,194</u>

(c) Balances with related parties

	As at 31 March 2025	As at 31 December 2024
	RMB'000 (Unaudited)	RMB'000
Amounts due from related parties		
Trade and bills receivables		
– Associates	1,488,127	1,922,006
– Joint ventures	21,227	28,021
Contract assets		
– Associates	1,973	1,974
Prepayments, deposits and other assets		
– Associates	13,113,857	13,568,530
– Joint ventures	2,159	545
	<u>14,627,343</u>	<u>15,521,076</u>
Amounts due to related parties		
Trade and bills payables		
– Associates	5,219,582	4,979,245
– Joint ventures	314	388
Contract liabilities		
– Associates	122,583	136,215
– Joint ventures	60,106	17,213
Other payables and accruals		
– Associates	554,008	2,626,402
– Joint ventures	1,411	5,423
	<u>5,958,004</u>	<u>7,764,886</u>

Note: Trade and bills receivables, contract assets, prepayments, deposits and other assets that related to payment on construction and equipment, trade and bills payables, contract liabilities and other payables and accruals are trade in nature.

The remaining receivable balances of RMB142 million and RMB128 million as at 31 March 2025 and 31 December 2024, respectively, mainly related to investing activities which are non-trade in nature, unsecured and not expected to be settled before the completion of the initial listing of H Shares of the Company on the Main Board of the Stock Exchange.

36. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value in the consolidated statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3: significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

(a) Fair value hierarchy

As at 31 March 2025 and 31 December 2024, the financial assets and liabilities measured at fair value on a recurring basis by the above three levels are analysed below:

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 March 2025 (Unaudited)				
Financial assets				
<u>Financial assets at FVTPL</u>				
– Equity investment at fair value . .	410,148	–	3,138,747	3,548,895
– Wealth management products and structured deposits	–	21,011,512	–	21,011,512
<u>Financial assets at FVTOCI</u>				
– Equity investments at fair value . .	5,635,216	–	5,950,359	11,585,575
– Trade and bills receivables measured at FVTOCI	–	43,910,963	–	43,910,963
	<u>6,045,364</u>	<u>64,922,475</u>	<u>9,089,106</u>	<u>80,056,945</u>
Financial liabilities				
Derivative financial instruments . . .	<u>899,889</u>	<u>–</u>	<u>–</u>	<u>899,889</u>

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	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2024				
Financial assets				
<u>Financial assets at FVTPL</u>				
– Equity investment at fair value . . .	–	–	3,135,658	3,135,658
– Wealth management products and structured deposits	–	14,282,253	–	14,282,253
<u>Financial assets at FVTOCI</u>				
– Equity investments at fair value . .	6,141,783	–	5,759,118	11,900,901
– Trade and bills receivables measured at FVTOCI	–	53,309,701	–	53,309,701
	<u>6,141,783</u>	<u>67,591,954</u>	<u>8,894,776</u>	<u>82,628,513</u>
Financial liabilities				
Derivative financial instruments . . .	<u>2,116,017</u>	<u>–</u>	<u>–</u>	<u>2,116,017</u>

During the three months ended 31 March 2025 and 2024, there was no transfer among Level 1, Level 2 and Level 3.

The following table presents the changes in Level 1, 2 and 3 fair value hierarchy for the three months ended 31 March 2025 and 2024:

	Level 1			Level 2		Level 3	
	Listed equity investments at FVTPL	Listed equity investments at FVTOCI	Derivative financial instruments	Wealth management products and structured deposits	Trade and bills receivables measured at FVTOCI	Unlisted equity investments at FVTPL	Unlisted equity investments at FVTOCI
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025 . . .	–	6,141,783	(2,116,017)	14,282,253	53,309,701	3,135,658	5,759,118
Additions	410,148	–	–	6,706,783	–	–	62,086
Disposals	–	(86,045)	–	–	(9,400,472)	–	–
Fair value (loss)/gain, net	–	(418,947)	1,216,128	22,476	1,734	3,089	129,343
Others	–	(1,575)	–	–	–	–	(188)
As at 31 March 2025 (Unaudited)	<u>410,148</u>	<u>5,635,216</u>	<u>(899,889)</u>	<u>21,011,512</u>	<u>43,910,963</u>	<u>3,138,747</u>	<u>5,950,359</u>
As at 1 January 2024 . . .	–	4,574,590	(3,941,410)	7,767	55,289,319	2,816,190	9,553,728
Additions	–	–	–	159,000	1,009,945	30,000	–
Disposals	–	(148,287)	–	–	–	–	–
Fair value (loss)/gain, net	–	(428,052)	(813,344)	35	(37,400)	(73,486)	(424,435)
Others	–	34,934	–	–	–	–	131,847
As at 31 March 2024 (Unaudited)	<u>–</u>	<u>4,033,185</u>	<u>(4,754,754)</u>	<u>166,802</u>	<u>56,261,864</u>	<u>2,772,704</u>	<u>9,261,140</u>

(b) Valuation techniques used to determine fair values

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly comprise market approach, adjusted net assets approach and recent transaction price approach. The inputs of the valuation technique mainly include volatility, financial data of target companies, market multiple of comparable companies and discount for lack of marketability.

Assets subject to Level 2 fair value measurement were mainly included wealth management products and structured deposits and receivables measured at FVTOCI are evaluated by market approach.

Assets subject to Level 3 fair value measurement were mainly included equity investments in unlisted entities at FVTPL and at FVTOCI. These assets were measured mainly using market approach, adjusted net assets approach and recent transaction price approach. The judgment of Level 3 of the fair value hierarchy is based on the materiality of unobservable inputs towards calculation of whole fair value. Significant unobservable inputs mainly include discount for lack of marketability and price earnings ratio.

The Group did not change any valuation techniques in determining the Level 2 and Level 3 fair values.

37. SUBSEQUENT EVENTS

- (a) The final dividends of RMB45.53 per 10 shares (tax inclusive) in respect of the year ended 31 December 2024 were approved in 2024 Annual General Meeting of the Group on 8 April 2025. The final dividends were paid on 22 April 2025.
- (b) As at 7 May 2025, a total of 6,640,986 A shares has been repurchased by the Company, and treasury shares amounted to RMB1,551,197,674, including RMB387,703 transaction cost, therefore were recognised. The shares were repurchased with an average price of approximately RMB233.58 per share.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following information does not form part of the Accountants' Report from Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set out in Appendix I to this prospectus, and is included herein for information purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets is prepared in accordance with paragraph 4.29 of the Listing Rules for illustrative purposes only, and is set out below to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024, as if the Global Offering had taken place on 31 December 2024.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 or at any future dates. It is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 as set out in Accountants' Report in Appendix I to this prospectus, and adjusted as described below.

Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2024	
RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000	RMB (Note 3)	HK\$ (Note 5)

Based on the Offer

Price of HK\$263.00

per H Share	<u>242,288,390</u>	<u>28,534,185</u>	<u>270,822,575</u>	<u>60.11</u>	<u>64.71</u>

Notes:

- (1) The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 is extracted from the Accountants' Report set out in Appendix I to this prospectus, which is based on the audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2024 of approximately RMB246,930,032,000 after deducting the Group's goodwill and intangible assets attributable to owners of the Company of approximately RMB667,687,000 and RMB3,973,955,000 respectively as at 31 December 2024.
- (2) The estimated net proceeds from the Global Offering are based on 117,894,500 Offer Shares at the Offer Price of HK\$263.00 per H Share, after deduction of the estimated underwriting fees and other related expenses expected to be incurred by the Group subsequent to 31 December 2024 and takes no account of any Shares which may be allotted and issued by the Company upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option, any Shares which may be issued by the Company upon the exercise of any options may be granted under the Share Incentive Plans or any Shares which may be issued or repurchased by the Company.
- (3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 4,505,297,887 Shares (representing 4,403,466,458 Shares in issue as at 31 December 2024, excluding 16,063,071 treasury shares as at 31 December 2024, adding 117,894,500 Offer Shares) were in issue, assuming that the Global Offering had been completed on 31 December 2024 but does not take into account of any Shares which may be allotted and issued by the Company upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option, any Shares which may be issued by the Company upon the exercise of any options may be granted under the Share Incentive Plans or any Shares which may be issued or repurchased by the Company.
- (4) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2024. In particular, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company has not taken into account payment of dividend of RMB19,975,848,000 which was approved by the Shareholders on 8 April 2025. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share would have been HK\$59.94 per Share if the dividend declaration had been accounted for as at 31 December 2024.
- (5) For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets, the translation of Renminbi amounts into Hong Kong dollars has been made at a rate of RMB0.92891 to HK\$1.00. No representation is made that Renminbi amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report received from Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of Contemporary Amperex Technology Co., Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Contemporary Amperex Technology Co., Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 31 December 2024 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated 12 May 2025 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed global offering of the Company's H shares on The Stock Exchange of Hong Kong Limited (the "Global Offering") on the Group's financial position as at 31 December 2024 as if the Global Offering had taken place as at 31 December 2024. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for the year ended 31 December 2024, on which an accountants' report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Global Offering as at 31 December 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Grant Thornton Hong Kong Limited

Certified Public Accountants

11th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong

12 May 2025

Ng Ka Kong

Practising Certificate No.: P06919

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of mainland China and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken into account the expected change or amendment to the relevant laws and policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an investment in the H shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulations. Accordingly, you should consult your own tax advisors regarding the tax consequences of an investment in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect.

This discussion does not address any aspects of mainland China taxation other than income tax, capital gains tax and profits tax, sales tax, VAT, stamp duty and estate duty. Prospective investors are urged to consult their financial advisors regarding mainland China and elsewhere tax consequences of owning and disposing of the H shares.

Taxation in Mainland China***Tax on Dividends******Individual Investors***

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), or the Individual Income Tax Law, lastly amended by the SCNPC on 31 August 2018 and effective on 1 January 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) lastly amended by the State Council on 18 December 2018 and effective on 1 January 2019, dividends paid by mainland China companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差異化個人所得稅政策有關問題的通知》) jointly issued by the MOF, the SAT and the CSRC on 7 September 2015 and effective on 8 September 2015, where an individual holds the shares of a listed company obtained from the public offering and market transfer, if the holding period is more than one year, the dividends and bonus income shall be temporarily exempted from individual income tax. Where an individual holds shares of a listed company from the public offering and market transfer, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), or the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, executed on 21 August 2006, the government may impose tax on dividends paid by a company in mainland China to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a company in mainland China and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the company in mainland China. The Fifth Protocol to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家稅務總局關於<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), or the Fifth Protocol, issued by the SAT and effective on 6 December 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Enterprise Investors

Pursuant to the EIT Law, lastly amended by the SCNPC and effective on 29 December 2018, and the Implementation Rules of the EIT Law of the PRC (《中華人民共和國企業所得稅法實施條例》), or the Implementation Rules of the EIT Law, lastly amended by the State Council on 6 December 2024 and effective on 20 January 2025, a non-resident enterprise is subject to a 10% EIT on mainland China-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the mainland China or has an establishment or place of business in the mainland China but the mainland China-sourced income is not actually connected with such establishment or place of business in the mainland China. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the EIT on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the SAT and effective on 6 November 2008, a PRC resident enterprise is required to withhold EIT at a unified rate of 10% on dividends paid to non-PRC resident enterprise holders of H shares which are derived out of profit generated since 2008. The Reply on the Collection of EIT on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), promulgated by the SAT on 24 July 2009 and effective on the same day, further provides that PRC-resident enterprises listed on mainland China and overseas stock exchanges by issuing stocks must withhold EIT at a flat rate of 10% on dividends of 2008 and onwards

that it distributes to non-resident enterprise shareholders. Such tax rates may be further modified pursuant to the tax treaty or agreement that the PRC government has concluded with a relevant country or region, where applicable.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the PRC government may impose tax on dividends paid by a mainland China company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the mainland China company. If a Hong Kong resident directly holds 25% or more of equity interest in a mainland China company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the mainland China company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the tax authorities in mainland China for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the mainland China tax authorities' verification.

Tax Related to Share Transfer Income

Individual Investors

Under the Individual Income Tax Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Pursuant to the Circular on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), which was promulgated by the MOF and the SAT on 30 March 1998 and effective on the same day, from 1 January 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. The SAT does not specify whether to continue to exempt individuals from individual income tax on the income from the transfer of shares in listed company in the newly revised EIT Law and Implementation Rules of the EIT Law.

Enterprise Investors

Under the EIT Law and its implementation rules, a non-PRC resident enterprise is subject to EIT at the rate of 10% with respect to mainland China-sourced income, including gains derived from the disposal of shares in a mainland China resident enterprise, if it does not have an establishment or place of business in the mainland China or has an establishment or place of business in the mainland China but the mainland China-sourced income is not actually connected with such establishment or place of business in the mainland China. The

aforementioned income tax payable by non-PRC resident enterprises is subject to source withholding, and the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted under the applicable tax treaties or arrangements on the avoidance of double taxation.

Shanghai-Hong Kong Stock Connect Taxation Policy

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the SAT and the CSRC on 31 October 2014 and effective on 17 November 2014, transfer spread income derived by enterprises in mainland China from stock investment listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be included in their total income and subject to EIT according to law. For dividends and bonuses received by individual investors in mainland China from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the H-share companies shall apply to CSDCC for providing the register of individual investors in mainland China to the H-share companies and withhold individual income tax at the rate of 20% on behalf of the H-share companies.

Pursuant to the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which promulgated by the MOF, the SAT and the CSRC on 21 August 2023 and implemented on the same day, the transfer spread income derived by individual investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be exempted from individual income tax from 5 December 2019 to 31 December 2027.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by enterprise investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect are included in their total income and subject to EIT according to law. Pursuant to which, dividend income obtained by resident enterprises in mainland China from holding H shares for 12 consecutive months shall be exempted from EIT according to law. H-share companies shall not withhold income tax on dividends and bonus income for enterprise investors in mainland China. The tax payable shall be declared and paid by the enterprise itself.

Shenzhen-Hong Kong Stock Connect Taxation Policy

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the SAT and the CSRC on 5 November 2016 and effective on 5 December 2016, transfer spread income derived by enterprise investors in mainland China from stock investment listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to EIT according to law. For dividends and bonuses received by individual investors in mainland China from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H-share companies shall apply to CSDCC for providing the register of individual investors in mainland China to the H-share companies and the H-share companies shall withhold individual income tax at the rate of 20% on behalf of the investors.

Pursuant to the Announcement on the Continued Implementation of the Individual Income Tax Policies on the Inter-connected Mechanisms for Trading on the Shanghai and Hong Kong Stock Markets and for Trading on the Shenzhen and Hong Kong Stock Markets and on the Mutual Recognition of Funds between the Mainland and Hong Kong (《關於繼續執行滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated by the MOF, the SAT and the CSRC on 4 December 2019 and effective on 5 December 2019, and the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which promulgated on 21 August 2023 and implemented on the same day, the transfer spread income derived by individual investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be exempted from individual income tax from 5 December 2019 to 31 December 2027.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by enterprise investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect are included in their total income and subject to EIT according to law. In particular, dividends and bonus income obtained by resident enterprises in mainland China from holding H shares for 12 consecutive months shall be exempted from EIT according to law. H-share companies shall not withhold income tax on dividends and bonus income for enterprise investors in mainland China. The tax payable shall be declared and paid by the enterprise itself.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated by the SCNPC on 10 June 2021 and came into effect on 1 July 2022, the purchase and disposal of H shares by non-mainland China investors outside of mainland China are not subject to the requirements of the Stamp Duty Law of the PRC.

Estate Duty

Pursuant to the laws of mainland China, no estate duty is currently levied in mainland China.

MAJOR TAXATION OF OUR COMPANY IN MAINLAND CHINA**EIT**

According to the EIT Law, enterprises and other income-generating organizations (hereinafter collectively referred to as “enterprises”) within the territory of the mainland China are the taxpayers of EIT and shall pay EIT in accordance with the provisions of the EIT Law. The EIT rate is 25%.

Enterprises are classified into resident enterprises and non-resident enterprises. A non-resident enterprise that does not have an establishment or place of business in the mainland China, or has an establishment or place of business in the mainland China but the income has no actual connection to such establishment or place of business, shall pay EIT on its income within the mainland China and withhold at source, where the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Meanwhile, any gains realized on the transfer of shares by such investors are subject to EIT and shall be withheld at source if such gains are regarded as income derived from the transfer of property within the mainland China.

VAT

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) lastly amended by the State Council on 19 November 2017 and effective on the same day and the Detailed Rules for the Implementation of the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) lastly amended by the MOF on 28 October 2011 and effective on 1 November 2011, all entities and individuals in mainland China engaging in the sale of goods, the provision of processing, repairs and replacement services, and the importation of goods are required to pay VAT. For taxpayers selling or importing goods, the general tax rate shall be 17% unless otherwise specified in the aforesaid regulations.

Pursuant to the Notice on the Adjustment to VAT Rates (《關於調整增值稅稅率的通知》) (Cai Shui [2018] No. 32), promulgated by the MOF and the SAT on 4 April 2018, and became effective as of 1 May 2018, the VAT rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

Pursuant to the Announcement on Relevant Policies for Deepening VAT Reform (《關於深化增值稅改革有關政策的公告》) (2019 No. 39 of MOF, SAT and General Administration of Customs), promulgated by the MOF, the SAT and the General Administration of Customs on 20 March 2019 and became effective on 1 April 2019, the VAT rates of 16% and 10% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

FOREIGN EXCHANGE ADMINISTRATION

The lawful currency of mainland China is the Renminbi. The SAFE, authorized by the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

Pursuant to the Regulations of the PRC on Foreign Exchange Control (《中華人民共和國外匯管理條例》) announced by the State Council on 5 August 2008 and effective on the same day, all international payments and transfers are classified into current account items and capital account items. Mainland China does not impose restrictions on international payments and transfers under current account items. Foreign exchange income from the current account of enterprises in mainland China may be retained or sold to financial institutions engaged in the settlement and sale of foreign exchange in accordance with relevant provisions of the State. The retention or sale of foreign exchange receipts under capital accounts to financial institutions engaging in settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated by the State.

Pursuant to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on 20 June 1996 and became effective on 1 July 1996, the remaining restrictions on convertibility of foreign exchange in respect of current account items are abolished while the existing restrictions on foreign exchange transactions in respect of capital account items are retained.

Pursuant to relevant laws and regulations of the mainland China, mainland China enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of SAFE, effect payment from their foreign exchange accounts at the designated foreign exchange banks, on the strength of valid receipts and proof of transactions. Foreign-invested enterprise that need to distribute profits to their shareholders in foreign exchange and Chinese enterprise that need to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from its foreign exchange account or pay at the designated foreign exchange bank by a resolution of the board of directors on the distribution of profits.

Pursuant to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council and effective on 23 October 2014, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been canceled.

Pursuant to the Circular of the SAFE on Relevant Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) promulgated by the SAFE on 26 December 2014 and effective on the same day, the relevant provisions on foreign exchange administration of domestic joint stock companies (hereinafter referred to as “domestic companies”) listed overseas are as follows:

- (i) The SAFE and its branches and the Foreign Exchange Management Department, or the Foreign Exchange Bureau, supervise, manage and inspect the business registration, account opening and use, cross-border income and expenditure, and capital exchange involved in the overseas listing of domestic companies.
- (ii) A domestic company shall, within 15 working days after the completion of the overseas listing and issuance, register the overseas listing with the Foreign Exchange Bureau at the place where it is registered with relevant material.
- (iii) A domestic company (other than banking financial institutions) shall, by virtue of its registration certificate for overseas listing business, open a “special foreign exchange account for overseas listing of domestic companies” with a domestic bank for its initial offering (or additional offering) and repurchase business to handle the remittance and transfer of funds for the relevant business.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued on 13 February 2015 and effective on 1 June 2015, the SAFE has cancelled the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and the SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionize and Regulate Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) issued by the SAFE on 9 June 2016 and effective on the same day, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

This Appendix summarizes certain aspects of the laws and regulations of Mainland China which are relevant to our Company's operations and business. Laws and regulations relating to taxation in Mainland China are discussed separately in "Appendix III — Taxation and Foreign Exchange" to this prospectus. This Appendix also contains a summary of laws and regulatory provisions of the PRC Company Law. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulatory provisions applicable to our Company. This summary is not intended to include all the information which is important to the potential investors. For a discussion of laws and regulations which are relevant to our Company's business, see "Regulatory Overview" in this prospectus.

THE LEGAL SYSTEM OF MAINLAND CHINA

The legal system of mainland China is based on the Constitution of the PRC (《中華人民共和國憲法》), or the "**Constitution**," and is made up of written laws, administrative regulations, local regulations, separate regulations, rules and regulations of departments of the State Council, rules and regulations of local governments, autonomous regulations, separate regulations of autonomous regions, special administrative region laws and international treaties and other regulatory documents signed by the PRC government. Court decisions do not constitute binding precedents, although they are used for the purposes of judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》), or the "**Legislation Law**," lastly amended by NPC on March 13, 2023 and effective on March 15, 2023, the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provisions of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their standing committees may formulate local regulations on matters such as urban and rural construction and management, environmental protection and historical and cultural protection based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where laws have other stipulations on matters of local regulations formulated by cities divided into districts, such stipulations shall prevail. The local regulations of cities divided into autonomous regions shall be submitted for approval before implementation.

The standing committees of the people's congresses of provinces or autonomous regions shall examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. The ministries, commissions, PBOC, National Audit Office of the State Council and institutions with administrative functions directly under the State Council may formulate rules and regulations within the jurisdiction of their respective departments based on the laws and the administrative regulations, decisions and rulings of the State Council.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations or rules may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of the rules enacted by the people's governments of the provinces and autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts within their respective administrative regions.

The NPC has the power to amend or annul any inappropriate laws formulated by the SCNPC, and to annul any autonomous regulations and separate regulations which have been approved by the SCNPC but which contravene the Constitution and the Legislation Law. The SCNPC has the power to annul administrative regulations that contravene the Constitution and laws, to annul local regulations that contravene the Constitution, laws and administrative regulations, and to annul autonomous regulations and separate regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government, but which contravene the Constitution and the Legislation Law. The State Council has the power to amend or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions and municipalities directly under the Central Government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The standing committees of the local people's congresses have the power to annul inappropriate rules enacted by the people's governments at the corresponding level. The people's governments of provinces and autonomous regions have the power to amend or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws belongs to the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed by the SCNPC and effective on June 10, 1981, the SCNPC shall give interpretation and make provisions by means of decrees on issues related to the further clarification or supplement of laws or decrees. The Supreme People's Court shall give interpretations on questions involving the specific application of laws and decrees in court trials. The Supreme People's Procuratorate shall interpret all issues involving the specific application of laws and decrees in the procuratorial work. If there are principled differences in the interpretation of the Supreme People's Court and the Supreme People's Procuratorate, they shall be submitted to the SCNPC for interpretation or decision. Interpretation of questions involving the specific application of laws and decrees in areas unrelated to judicial and procuratorial work shall be provided by the State Council and competent authorities.

Where the scope of local regulations needs to be further defined or additional stipulations need to be made, the standing committees of the people's congresses of provinces, autonomous regions and municipalities which have enacted these regulations shall provide interpretations or make the stipulations. Interpretation of questions involving the specific application of local regulations shall be provided by the competent departments of the people's governments of provinces, autonomous regions and municipalities.

JUDICIAL SYSTEM OF MAINLAND CHINA

According to the Constitution and the Law of the PRC of Organization of the People's Courts (《中華人民共和國人民法院組織法》) lastly amended by the SCNPC on October 26, 2018 and effective on January 1, 2019, the People's Court is made up of the Supreme People's Court, the local people's courts, and other special people's courts. The local people's courts are divided into three levels, namely the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may set up certain people's tribunals based on the status of the region, population and cases. The Supreme People's Court shall be the highest judicial organ of the state. The Supreme People's Court shall supervise the administration of justice by the local people's courts at all levels and by the special people's courts. The people's courts at higher levels shall supervise the judicial work of the people's courts at lower levels.

According to the Constitution and the Law of Organization of the People's Procuratorate of the PRC (《中華人民共和國人民檢察院組織法》) lastly amended by SCNPC on October 26, 2018 and effective on January 1, 2019, the People's Procuratorate is the law supervision organ of the state. The Supreme People's Procuratorate shall be the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates; the people's procuratorates at higher levels shall direct the work of those at lower levels.

The people's courts employ a two-instance trial system, and judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of a local people's courts. The people's procuratorate may present a protest to the people's courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's courts become final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and those of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court or the people's courts at the next higher level finds any definite errors in a legally effective final judgment or ruling of the people's court at a lower level, or if the president of a people's court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》), or the “**Civil Procedure Law**” lastly amended by the SCNPC on September 1, 2023 and effective on January 1, 2024 sets forth the requirements for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the mainland China must comply with the Civil Procedure Law. Civil cases are generally heard by the courts where the defendants are located. The court of jurisdiction in a civil action may be chosen by express agreement between the parties, provided that the court is located at a place that has direct connection with the dispute, such as the plaintiff's or the defendant's place of domicile, the place where the contract is performed or signed, or the object of the action is located. However, the choice of the court cannot conflict with the regulations of different jurisdictions and exclusive jurisdictions in any case.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must have the same litigation rights and obligations as a PRC citizen, legal person or other organizations when initiating or defending any proceedings at a people's court. If a foreign court limits the litigation rights of PRC citizens, legal person or other organizations, the PRC court may apply the same limitations to the citizens, legal person or other organizations of such foreign country. A foreign individual, a person without nationality, a foreign-invested enterprise or a foreign organization must engage a lawyer from Mainland China if such person needs to engage a lawyer in initiating or defending any proceedings at a people's court. Under an international treaty or the principle of reciprocity signed or acceded to by the mainland China, the people's court and foreign courts may require each other to act on their behalf to serve documents, conduct investigations, collect evidence and take other actions on behalf of each other. If the request by a foreign court would result in the violation of the PRC's sovereignty, security or public interest, the people's court shall decline the request.

All parties involved must comply with legally effective civil judgments and rulings. If any party to a civil action refuse to comply with a judgment or order made by a people's court or an award made by an arbitration tribunal, the other party may apply to the people's court for

enforcement within two years. Suspension or disruption of the time limit for applying for such enforcement shall comply with the provisions of the applicable law concerning the suspension or disruption of the time-barring of actions.

When a party applies to a people's court for enforcing an effective judgment or ruling by a people's court against a party who is not located within the territory of the mainland China or whose property is not within the mainland China, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to the mainland China enforcement procedures if the mainland China has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless among other exceptions, the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the mainland China, its sovereignty or security, or for reasons of social and public interests.

THE PRC COMPANY LAW, OVERSEAS LISTING TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company established in mainland China seeking a listing on Hong Kong Stock Exchange is mainly subject to the following laws and regulations of Mainland China.

The Company Law, was lastly revised on December 29, 2023 and came into effect on July 1, 2024.

The Overseas Listing Trial Measures and its five interpretative guidelines, were promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023 and were applicable to the direct and indirect overseas offering and listing of PRC domestic companies' securities.

According to the Overseas Listing Trial Measures and its interpretative guidelines, where a domestic company directly conducts offering and listing overseas, it shall formulate its articles of association in line with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》), or the **"Guidelines for Articles of Association,"** which was issued by the CSRC as amended and effective from time to time, in place of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (《到境外上市公司章程必備條款》) which ceased to apply from March 31, 2023.

Set out below is a summary of the major provisions of the Company Law, the Overseas Listing Trial Measures and the Guidelines for Articles of Association which are applicable to our Company.

General Provisions

A joint stock limited company means a corporate legal person incorporated under the Company Law, whose registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the extent of the shares held by them and the liability of a company is limited to the full value of all the property owned by it.

A company must conduct its business in accordance with laws and regulations as well as public and commercial ethics, be honest and trustworthy and accept the supervision of the government and the public. A company may invest in other companies. If it is prescribed by any law that a company shall not become a capital contributor that shall bear the joint and several liability for the debts of the enterprises it invests in, such provisions shall prevail.

Incorporation

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the Mainland China.

The promoters of subscription of a joint stock company shall convene an inaugural meeting of the company within 30 days after the share capital has been paid up and shall notify all subscribers of the date of the meeting or make an announcement in this regard 15 days before the meeting. The inaugural meeting may be held only with the presence of subscribers holding more than 50% of the voting rights. The convening and voting procedures for the inaugural meeting of a joint stock limited company incorporated by promotion shall be stipulated in the agreement of the promoters. Powers to be exercised at the inaugural meeting include but are not limited to the adoption of articles of association and the election of members of the board of directors and the supervisory committee of a company. The aforesaid matters shall be resolved by more than 50% of the votes to be cast by subscribers presented at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authority for registration of the incorporation of the joint stock limited company. A company is formally established and has the status of a legal person after the business license has been issued by the relevant registration authority.

Registered Shares

Under the Company Law, shareholders may make capital contributions in cash, or with non-monetary property that may be valued in money and legally transferred, such as contribution in kind or with an intellectual property rights, land use rights, shareholding or claims.

The Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Company Law, a joint stock limited company is required to maintain a register of shareholders, detailing the following information: (i) the name and domicile of each shareholder; (ii) the class and number of shares subscribed for by each shareholder; (iii) the serial number of shares if issued in paper form; and (iv) the date on which each shareholder acquired the shares.

Allotment and Issue of Shares

All issues of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. A joint stock limited company may issue shares at a par value or at a premium, but it may not issue shares below the par value.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with the Overseas Listing Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholders information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer itself shall file with the CSRC. If a domestic enterprise is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic person responsible and file with the CSRC.

Increase in Share Capital

Under the Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the shareholders' meeting in respect of the class and number of new shares, the issue price of the new shares, the commencement and end dates for the issuance of new shares and the class and number of the new shares proposed to be issued to original shareholders, if any. If no par value stock is issued, more than one-half of the proceeds from the issuance of the new stocks shall be included in the registered capital. Additionally, if a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announce the prospectus.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (i) to prepare a balance sheet and a property list; (ii) a company makes a resolution at shareholders' meeting to reduce its registered capital; (iii) a company shall inform its creditors within 10 days and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days after the approval of resolution of reducing registered capital; (iv) the creditors shall have the right to require a company to repay its debts or provide corresponding guarantees within 30 days after

receiving the notice or within 45 days after the announcement if the creditors have not received the notice; (v) when a company reduces its registered capital, it shall register the change with a company registration authority in accordance with the law.

When a company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by any law, or agreed upon by all the shareholders of a limited liability company, or as specified in the articles of association of a joint stock limited company.

Share Buy-Back

Under the Company Law, a company shall not purchase its own shares. Except for any following circumstances:

(i) reducing the registered capital; (ii) merging with other company that holds the shares of the company; (iii) using the shares for employee stocks plan or equity incentives; (iv) with respect to shareholders voting against any resolution adopted at the shareholders' meeting on the merger or division of our Company, the right to demand our Company to acquire the shares held by them; (v) using the shares for the conversion of convertible corporate bonds issued by the listed company; (vi) as required for maintenance of the corporate value and shareholders' rights and interests of a listed company.

The purchase of shares of a company for reasons specified in the case of (i) to (ii) above shall be subject to the resolution of the shareholders' meeting; the purchase of shares of a company for reasons specified in the case of (iii), (v) and (vi) above shall be subject to the resolution of the board meetings attended by more than two-thirds of the directors in accordance with the provisions of the articles of association or the authorization from the meeting.

Following the purchase of a company's shares by a company in accordance with the above provisions, such shares shall be canceled within 10 days from the date of buy-back in the case of item (i) above; such shares shall be transferred or canceled within six months in the case of items (ii) and (iv) above; the total numbers of share of our Company held by a company shall not exceed 10% of the total issued shares of our Company, and shall be transferred or canceled within three years in the case of items (iii), (v) and (vi) above.

Transfer of Shares

Shares held by a shareholder may be transferred according to the law. Under the Company Law, a shareholder of a joint stock limited company should affect a transfer of his shares on securities exchange established according to the law or by any other means as required by the State Council. Registered shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and address of the transferee in the register of shareholders. No changes of

registration in the share register provided in the foregoing requirement shall be affected during a period of 20 days prior to the convening of shareholder's meeting or 5 days prior to the record date for a company's distribution of dividends. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council specifies otherwise for the modification of the register of shareholders of a listed company, such provisions should prevail.

Under the Company Law, shares issued by a company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of the company are listed and traded on a securities exchange. The directors, supervisors and senior management of the company should declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year should not exceed 25% of the total shares they hold of the company. Shares of a company held by them shall not be transferred within one year from the date of a company's listing on a securities exchange, nor within six months after their resignation from their positions with a company.

If the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee cannot exercise the pledge right within such restricted transfer period.

Shareholders

Under the Company Law and Guidelines for Articles of Association the rights of a shareholder of a company include: (i) to receive dividends and other forms of interest distribution according to the number of shares held; (ii) to legally require, convene, preside over, participate in or authorize proxies of Shareholders to attend the shareholders' meeting and exercise corresponding voting rights; (iii) to supervise business operations of the company, provide suggestions or submit queries; (iv) to transfer, grant or pledge the company's shares held according to the provisions of the laws, administrative regulations and the articles of association; (v) to read and copy the articles of association, the register of Shareholders, counterfoil of company debentures, General Meeting minutes, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports; (vi) shareholders who hold more than 3% of the company's shares individually or collectively for more than 180 consecutive days may inspect the company's accounting books and accounting vouchers in accordance with laws; (vii) to participate in the distribution of the remaining assets of the company according to the proportion of shares held upon our termination or liquidation; (viii) to require our company to acquire the shares from Shareholders voting against any resolutions adopted at the General Meeting concerning the merger and division of the company; (ix) other rights conferred by laws, administrative regulations, regulations of the authorities or the articles of association.

The obligations of a shareholder of a company include: (i) to abide by laws, administrative regulations and the articles of association; (ii) to provide share capital according to the shares subscribed for and share participation methods; (iii) not to withdraw shares unless

prescribed otherwise in laws and administrative regulations; (iv) not to abuse shareholders' rights to infringe upon the interests of the company or other shareholders; not to abuse the company's status as an independent legal entity or the limited liability of shareholders to damage the interests of the company's creditors; (v) to perform other duties prescribed in laws, administrative regulations, departmental rules and articles of association.

Shareholder's Meetings

Under the Company Law, the shareholders' meeting of a joint stock limited company is made up of all shareholders. The shareholders' meeting is the organ of authority of a company, which exercises the following functions and powers: (i) to elect and replace directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors; (ii) to examine and approve reports of the board of directors; (iii) to examine and approve reports of the supervisory committee; (iv) to examine and approve a company's profit distribution plans and loss recovery plans; (v) to resolve on the increase or reduction of a company's registered capital; (vi) to resolve on the issuance of corporate bonds; (vii) to resolve on the merger, division, dissolution, liquidation or change of corporate form of a company; (viii) to amend the company's articles of association; (ix) other functions and powers specified in provision of the articles of association.

Under the Company Law, annual shareholders' meetings are required to be held once every year. An interim shareholders' meeting is required to be held within two months after the occurrence of any of the following circumstances: (i) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the articles of association; (ii) when the unrecovered losses of a company amount to one-third of the total paid-up share capital; (iii) shareholders individually or jointly holding 10% or more of the company's shares request; (iv) when deemed necessary by the board of directors; (v) the supervisory committee proposes to convene the meeting; (vi) other circumstances as stipulated in the articles of association.

Shareholders' meeting shall be convened by the board of directors, and presided over by the chairperson of the board of directors. In the event that the chairperson is incapable of performing or not performing his duties, the meeting shall be presided over by the vice chairperson. In the event that the vice chairperson is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

If the board of directors is incapable of performing or is not performing its duties to convene the general meeting, the supervisory board should convene and preside over shareholders' meeting in a timely manner. If the supervisory board fails to convene and preside over shareholders' meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over shareholders' meeting.

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

If the shareholders who separately or aggregately hold more than 10% of the shares of the company request to convene an interim shareholders' meeting, the board of directors and the board of supervisors should, within 10 days after the receipt of such request, decide whether to hold an interim shareholders' meeting and reply to the shareholders in writing.

Notice of meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. A notice of interim meeting shall be given to all shareholders 15 days prior to the meeting.

Shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the board of directors in writing 10 days before the shareholders' meeting. The board of directors shall notify other shareholders within two days after receiving the proposal and submit the interim proposal to the shareholders' meeting for consideration.

Under the Company Law, a shareholder may entrust a proxy to attend a shareholders' meeting, and it should clarify the matters, power and time limit of the proxy. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his voting rights within the scope of authorization. There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting.

Under the Company Law, shareholders present at a shareholders' meeting have one vote for each share they hold, except the shareholders of classified shares. However, shares held by the company itself are not entitled to any voting rights.

The cumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting in accordance with the provisions of the articles of association or the resolutions of the shareholders' meeting. Under the accumulative voting system, each share shall have the same number of voting rights as the number of directors or supervisors to be elected at the shareholders' meeting, and shareholders may consolidate their voting rights when casting a vote.

Under the Company Law and the Guidelines for Articles of Association, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the shareholders' meeting. Matters relating to merger, division or dissolution of a company, increase or reduction of registered capital, change of corporate form or amendments to the articles of association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Directors

Under the Company Law, a joint stock limited company should have a board of directors, which consists of more than three members. The term of office of a director shall be stipulated in the articles of association, but each term of offices shall not exceed three years. Directors may serve consecutive terms if re-elected.

Meetings of the board of directors shall be convened at least twice a year. All directors and supervisors shall be notified 10 days before the meeting for every meeting. The board of directors exercises the following functions and powers: (i) to convene shareholder's general meetings and report its work to the shareholder's general meetings; (ii) to implement the resolutions of the shareholder's general meeting; (iii) to decide on a company's business plans and investment plans; (iv) to formulate a company's profit distribution plan and loss recovery plan; (v) to formulate proposals for the increase or reduction of a company's registered capital and the issue of corporate bonds; (vi) to formulate plans for merger, division, dissolution or change of corporate form of a company; (vii) to decide on the internal management structure of a company; (viii) to decide on the appointment or dismissal of the manager of a company and their remuneration; to decide on the appointment or dismissal of the deputy manager and financial officer of a company based on the nomination of the manager and as well as remuneration; (ix) to formulate a company's basic management system; (x) other functions and powers specified in the articles of association or granted by the shareholders' meeting.

The board meetings shall be held only if more than half of the directors are present. If a director is unable to attend a board meeting, he/she may appoint another director by a power of attorney specifying the scope of the authorization for another director to attend the meeting on his behalf. If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company suffers serious losses, the directors participating in the resolution shall be liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

Under the Company Law, a person may not serve as a director of a company if he/she is: (i) a person without capacity or with restricted capacity; (ii) a person who has been sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period; (iii) a person who was a director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise; (iv) a person who was legal representative of a company or enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who were personally liable, where

less than three years have elapsed since the date of the revocation of the business license of the company or enterprise or the order for closure; and (v) being listed as one of “dishonest persons subject to enforcement” by the people’s court due to his/her failure to pay off a relatively large amount of due debts.

The board of directors shall have one chairperson, who shall be elected by more than half of all the directors. The chairperson shall exercise the following functions and powers (including but not limited to): (i) to preside over shareholders’ meetings and convene and preside over board meetings; and (ii) to examine the implementation of resolutions of the board of directors; (iii) to exercise other powers conferred by the board of directors.

Supervisors

Under the Company Law, a joint stock limited company shall have a board of supervisors composed of not less than three members. The board of supervisors shall comprise shareholder representatives and an appropriate proportion of the company’s staff representatives, of which the proportion of staff representatives shall not be less than one-third and the specific proportion shall be stipulated in the articles of association. Employee representatives of the board of supervisors shall be democratically elected by the company’s employees at the employee representative assembly, employee meeting or otherwise. Directors or senior management may not act concurrently as supervisors.

The board of supervisors exercises the following powers: (i) to examine the company’s financial affairs; (ii) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the articles of association or resolutions of shareholders’ meetings; (iii) to demand rectification by a director or senior management when the acts of such persons are harmful to the company’s interest; (iv) to propose the convening of interim shareholders’ meetings, and to convene and preside over shareholders’ meetings when the board of directors fails to perform the duty of convening and presiding over shareholders’ meetings under the Company Law; (v) to submit proposals to the shareholders’ meeting; (vi) to initiate legal proceedings against directors and senior management in accordance with the Company Law; (vii) other functions and powers specified in the articles of association.

Managers and Senior Management

According to the Company Law, a company should have a manager who is appointed or removed by the board of directors. The manager is responsible to the board of directors and exercise his/her functions and powers according to the articles of association or the authorization of the board of directors. The manager attends the meetings of the board of directors as a non-voting member.

According to the Company Law, senior management shall refer to the manager, deputy manager(s), financial controller, secretary of the board of directors and other personnel as stipulated in the articles of association of the company.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors, supervisors and senior management are prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the company's properties.

Directors, supervisors and senior management are prohibited from: (i) embezzling the company's property or misappropriating of the company's capital; (ii) depositing the company's capital into accounts under his/her own name or the name of other individuals; (iii) giving bribes or accepting any other illegal proceeds by taking advantage of their power; (iv) accept and possess commissions paid by a third party for transactions conducted with the company; (v) unauthorized divulgence of confidential business information of the company; or (vi) other acts in violation of their fiduciary duty to the company.

If any director, supervisor or senior management directly or indirectly concludes a contract or conducts a transaction with the company, he/she should report the matters relating to the conclusion of the contract or transaction to the board of directors or the shareholders' meeting, subject to the approval of the board of directors or the shareholders' meeting according to the articles of association.

The provisions of the preceding paragraph shall apply if any near relatives of the directors, supervisors or senior management, or any of the enterprises directly or indirectly controlled by the directors, supervisors or senior management or any of their near relatives, or any related parties with any other related-party relationship with the directors, supervisors or senior management, concludes a contract or conducts a transaction with the company.

Neither director, supervisor or senior management may take advantage of his/her position to seek any business opportunity that belongs to the company for himself/herself or any other person except under any of the following circumstances: (i) where he/she has reported to the board of directors or the shareholders' meeting and has been approved by a resolution of the board of directors or the shareholders' meeting according to the articles of association; or (ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the articles of association.

Where any director, supervisor or senior management fails to report to the board of directors or the shareholders' meeting and obtain an approval by resolution of the board of directors or the shareholders' meeting according to the articles of association, he/she may not engage in any business that is similar to that of the company where he/she holds office for himself/herself or for any other person.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his/her duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and Accounting

Under the Company Law, a company shall establish its financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council. At the end of each fiscal year, the company shall prepare financial and accounting reports which shall be audited by an accounting firm in accordance with the law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial department of the State Council.

A joint stock limited company shall make its financial and accounting reports available at the company for inspection by the shareholders 20 days before the convening of an annual meeting of shareholders. A joint stock limited company issuing its shares in public must publish its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its profits into its statutory reserve fund. The company can no longer withdraw statutory reserve fund if it has accumulated to more than 50% of the registered capital. If the statutory reserve fund of the company is insufficient to make up for the losses of the previous years, the current year profits shall be used to make up for the losses before making allocations to the statutory reserve in accordance with the preceding paragraph. After the company has made an allocation to the statutory reserve fund from its after-tax profit, it may also make an allocation to the discretionary reserve fund from its after-tax profit upon a resolution of the shareholders' meeting.

A joint stock limited company may distribute profits in proportion to the number of shares held by its shareholders, except for profit distributions that are not in proportion to the number of shares held in accordance with the provisions of the articles of association of the joint stock limited company.

The premium over the nominal value of the shares of a joint stock limited company from the issue of shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the company.

The reserve fund of the company shall be used to make up losses of the company, expand the production and operation of the company or increase the capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital before such conversion.

The company shall not keep accounts other than those provided by law.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the engagement or dismissal of an accounting firm responsible for the company's auditing shall be determined by a shareholders' meeting, the board of directors or the board of supervisors in accordance with the articles of association. The accounting firm should be allowed to make representations when the shareholders' meeting, the board of directors or the board of supervisors conduct a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of information.

The Guidelines for Articles of Association provides that the company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or falsely report. And the audit fee of the accounting firm shall be decided by the shareholders' meeting.

Profit Distribution

Where a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders and directors, supervisors, and senior management who are responsible for causing losses to the company shall bear compensation liability.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved for the following reasons: (i) the term of business stipulated in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) the shareholders' meeting resolves to dissolve the company; (iii) dissolution is necessary due to a merger or division of the company; (iv) the business license is revoked, or the company is ordered to close down or is revoked in accordance with laws; (v) where the company encounters serious difficulties in its operation and management and its continuance shall cause a significant loss in the interest of shareholders, and where this cannot be resolved through other means, shareholders who hold more than 10% of the total shareholders' voting rights of the company may present a petition to a people's court for the dissolution of the company.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where the company is dissolved in accordance with item (i) above, it may carry on its existence by amending its articles of association or upon a resolution of the shareholders' meeting, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting. Where the company is dissolved pursuant to

items (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the company's articles of association or it is otherwise elected by the shareholders' meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

The liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the people's court to designate relevant persons to form a liquidation group to conduct liquidation. The people's court shall accept such request and organize a liquidation group to carry out the liquidation in a timely manner.

The liquidation group shall exercise the following functions and powers during the liquidation period: (i) to liquidate the company's property and respectively prepare balance sheet and list of property; (ii) to notify creditors by notice or public announcement; (iii) to deal with the outstanding business of the company involved in the liquidation; (iv) to pay all outstanding taxes and taxes arising in the course of liquidation; (v) to liquidate claims and debts; (vi) to distribute the remaining property of the company after paying off debts; (vii) to participate in civil litigations on behalf of the company.

The liquidation group shall notify the company's creditors within ten days as of its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days as of the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice.

The remaining property of the company after the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to their shareholdings. During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The company's assets shall not be distributed to the shareholders before the liquidation in accordance with the preceding paragraph.

If the liquidation group, having thoroughly examined the company's assets and having prepared a balance sheet and an inventory of assets, discovers that the company's assets are insufficient to pay its debts in full, it shall file an application to a people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall prepare a liquidation report to be submitted to the shareholders' meeting or the people's court for confirmation, and submit to the company registration authority to apply for cancellation of the company's registration.

The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is revoked, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company.

Overseas Listing

According to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall be filed in accordance with the provisions of the first paragraph of Article 16 of the Overseas Listing Trial Measures. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Loss of Share Certificates

A shareholder may, in accordance with the public notice procedures set out in the Civil Procedure Law, apply to a people's court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declared that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The Securities Law has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Overseas Listing Trial Measures, in case of active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

SECURITIES LAW AND REGULATIONS

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the mainland China and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by companies in mainland China or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking research and analysis. On March 29, 1998, the State Council consolidated the above two departments and reformed the CSRC.

The Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》), promulgated by the State Council on April 22, 1993 and came into effect on the same day, provide the application and approval procedures for public offerings of shares, trading in shares, the acquisition of listed companies, the deposit, settlement and transfer of listed shares, the disclosure of information with respect to a listed company, investigation and penalties and dispute arbitration.

The Regulations of the State Council Concerning the Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》), promulgated by the State Council on December 25, 1995 and came into effect on the same day, mainly provide for the issue, subscription, trading and payment of dividends of domestic listed foreign shares and disclosure of information of joint stock limited companies with domestic listed foreign shares.

The Securities Law, which was lastly amended by the SCNPC on December 28, 2019 and came into effect on March 1, 2020, provides a series of provisions regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities in the mainland China, and comprehensively regulates activities in the securities market of mainland China. The Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or

indirectly outside the mainland China or listing and trading its securities outside the Mainland China. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Under the Arbitration Law of the PRC (《中華人民共和國仲裁法》), or the **Arbitration Law**, last amended by the SCNPC on September 1, 2017 and effective on January 1, 2018, the Arbitration Law is applicable to economic disputes involving foreign parties, and all parties have entered into a written agreement to refer the matter to an arbitration committee constituted in accordance with the Arbitration Law. An arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with relevant regulations under the Arbitration Law and the Civil Procedure Law. Where both parties have agreed to settle disputes by means of arbitration, the people's court will refuse to take legal action brought by a party in the people's court.

Under the Arbitration Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement according to the Civil Procedure Law. If there is evidence to prove that any of the following circumstances exists: the parties have not stipulated an arbitration clause in the contract or have not reached a written arbitration agreement afterwards; the respondent has not been notified of the appointment of the Court of Arbitration or the arbitration proceedings or failed to present views for other reasons for which the respondent is not responsible; the composition of the arbitral tribunal or the arbitration procedures are not in accordance with the arbitration rules; the matters awarded are outside the scope of the arbitration agreement, or the arbitration committee has no jurisdiction to arbitrate, the people's court may rule not to enforce such award. A party seeking to enforce an arbitral award of foreign arbitration commission against a party who or whose property is not within the mainland China shall apply to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the people's court in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

According to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on January 24, 2000 and effective on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People's Court on November 26, 2020 and effective on November 27, 2020, awards made by arbitral authorities in mainland China can be applied for enforcement in Hong Kong, and Hong Kong arbitration awards can also be applied for enforcement in the mainland China.

This Appendix is primarily intended to provide potential investors with an overview of the Articles of Association, the following information is a summary and therefore may not contain all the information that is material to potential investors.

ISSUANCE OF SHARES

The shares of the Company shall be issued in a fair and equal manner. Each share of the same class shall rank *pari passu* with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. Subscribers shall pay the same price for each share subscribed for.

INCREASE, DECREASE AND REPURCHASE OF SHARES

According to the operation and development needs of the Company, subject to the laws, regulations, the Company may increase the share capital in the following ways upon approval of resolutions at the shareholders' meetings:

- (i) Public issuance of shares;
- (ii) Non-public issuance of shares;
- (iii) Distribution of bonus shares to existing shareholders;
- (iv) Converting the reserve funds into share capital;
- (v) Other methods as provided for by laws and administrative regulations and approved by the CSRC and other securities regulatory bodies in the places where the shares of the company are listed.

The Company may decrease the registered share capital. When the Company reduces its registered capital, it shall comply with the procedures stipulated in the Company Law and other regulations, the Articles of Association.

The Company shall not repurchase its own shares, unless otherwise under the circumstances:

- (i) Reducing the Company's registered share capital;
- (ii) Merging with other companies which hold our shares;
- (iii) Using the shares for an employee stock ownership plan or equity incentive plan;

- (iv) Purchasing its shares from shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon their request;
- (v) Use of shares for conversion of convertible corporate bonds issued by the Company;
- (vi) Necessary for the Company to maintain its value and protect the interests of the Shareholders.

The repurchase of the Company's shares by the Company may be carried out through public centralized trading on stock exchanges, or other methods recognized under laws and regulations authorities at the place where the Company's shares are listed.

A resolution shall be passed at the shareholders' meeting when the Company is to repurchase its own shares under the circumstances (i) and (ii) set out above. In case of the circumstances stipulated in (iii), (v) and (vi) above, a resolution of the Company's Board shall be passed by more than two-thirds of the Directors attending the Board meeting in accordance with the applicable securities regulatory rules of the place where the Company's shares are listed.

On the premise of complying with the securities regulatory rules of the place where the company's shares are listed, after the Company has repurchased its own shares in accordance with the circumstances above, the shares repurchased shall be canceled within ten days from the date of purchase (under the circumstance set out in (i) above), or shall be transferred or canceled within six months (under the circumstances set out in (ii) and (iv) above). If the Company repurchases its shares under the circumstances set out in (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled within three years.

When the Company repurchases its own shares, it shall perform the obligation of information disclosure in accordance with the Securities Law and the regulatory rules of securities of the place where the Company's shares are listed. If the share repurchase is made under the circumstances stipulated in (iii), (v) or (vi) above, it shall be conducted through public centralized trading.

TRANSFER OF SHARES

Shares issued prior to the initial public offering of A shares of the Company shall not be transferred within one year from the date on which the A shares of the Company are listed and traded on the stock exchange. Where laws, administrative regulations or the securities regulatory authority of the state council have other provisions governing the transfer of company shares held by shareholders and the actual controlling party of a company, those provisions shall prevail.

The Directors, Supervisors and senior management of the Company shall declare the Company of their holdings of shares of the Company and the changes therein. The shares transferred by them during each year of their tenures as determined at the time of appointment shall not exceed 25% of their total holdings of shares of the Company. The shares of the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed for trading. The shares of the Company held by them shall not be transferred within half a year from their departure from the Company.

If the shares are pledged within the restricted transfer period stipulated by laws and administrative regulations, the pledgee shall not exercise the pledge within the restricted transfer period.

Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise with respect to the restrictions on the transfer, those provisions shall prevail.

Any gains from sale of Company's shares or other securities with the nature of equity by the Directors, Supervisors and senior management members or shareholders holding 5% or more of the Company's shares within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with the nature of equity by any of the aforesaid parties within six months after sale of the same shall be disgorged and paid to the Company, and the Board of Directors of the Company shall recover such gains from the abovementioned parties. However, there is an exception for securities companies that hold more than 5% of the shares due to the purchase of surplus shares after the package sale, and other circumstances stipulated by the securities regulatory authority of the State Council.

Shares or other securities with the nature of equity held by Directors, Supervisors, senior management and individual shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people's accounts.

If the Board of Directors of the Company fails to comply with the provision set forth above, the Shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the Shareholders are entitled to initiate litigation directly in the People's Court of the PRC in their own names for the interest of the Company. And if the Board of Directors fails to implement the provisions set forth above, the responsible Directors shall bear joint and several liability in accordance with law.

FINANCIAL ASSISTANCE FOR THE ACQUISITION OF SHARES IN OUR COMPANY

The Company or its subsidiaries (including affiliates of enterprises) shall not offer gifts, loans, guarantees and any financial assistance for others to acquire the shares of the Company or its parent company except for those implemented by employee stock ownership plans by the Company.

Unless otherwise provided in the securities regulatory rules of the place where the Company's shares are listed, upon the resolution of the shareholders' meeting or the resolution adopted by the Board of Directors as authorized by the Articles of Association of the Company or by the shareholders' meeting, the Company or its Subsidiaries (including its affiliated enterprises) may provide financial assistance for other persons to acquire shares in the Company, provided that the aggregate amount of such financial assistance shall not exceed ten percent of the total issued share capital of the Company. The resolution of the Board of Directors shall be passed by two-thirds or more of all the directors.

Where the violation of the aforesaid provisions causes the Company to suffer losses, the directors, supervisors and senior management personnel who are accountable shall bear compensation liability.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of shareholders in accordance with evidentiary documents provided by the securities registration authorities. The register of shareholders is sufficient evidence to prove that the shareholders hold the Company's Shares. The original register of shareholders of H shares is kept in Hong Kong and is available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

The rights of our shareholders are as follows:

- (i) To receive dividends and other forms of interest distribution according to the number of shares held;
- (ii) To legally require, convene, preside over, participate in or authorize proxies of shareholders to attend the shareholders' meeting and exercise corresponding voting rights;
- (iii) To supervise operations of the Company, provide suggestions or submit queries;
- (iv) To transfer, grant or pledge the Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;
- (v) To read and copy the Articles of Association, the register of shareholders, shareholders' meeting minutes, resolutions of meetings of the Board of Directors, resolutions of meetings of the Board of Supervisors and financial and accounting reports;

- (vi) To participate in the distribution of the remaining assets of our Company according to the proportion of shares held upon our termination or liquidation;
- (vii) To require our Company to acquire the shares from shareholders voting against any resolutions adopted at the shareholders' meeting concerning the merger and division of the Company;
- (viii) Other rights conferred by laws, administrative regulations, regulations of the authorities, regulatory rules where the Company's shares are listed, or the Articles of Association.

If the shareholders request access to or reproduction of relevant information mentioned in the above article or ask for relevant materials, they shall provide the Company with written documents evidencing the class and number of the shares held by them in the Company, upon verification of their status as shareholders, the Company shall provide such shareholders with the information as required by them. If a shareholder who individually or jointly holds 3% or more of the Company's shares for more than 180 consecutive days requests to inspect the Company's accounting books or accounting vouchers, the provisions of the second, third and fourth paragraphs of Article 57 of the PRC Company Law shall apply.

The provisions of the above articles shall apply to shareholders who request to inspect or replicate the relevant materials of a wholly-owned subsidiary of the company. Shareholders of the company who inspect or replicate the relevant materials shall also comply with the provisions of the Securities Law and related laws and administrative regulations.

If the content of the resolution of the Company's shareholders' meeting or Board of Directors violates laws, administrative regulations, the shareholders have the right to request the court to clarify it invalid. If the convening procedures or voting methods of the shareholders' meeting or the Board of Directors violate laws, administrative regulations or the Articles of Association, or the content of the resolution violates laws, administrative regulations and the Articles of Association, the shareholders have the right to request the court to revoke the resolution within 60 days from the date on which the resolution is made.

In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or Articles of Association by the Directors or senior management when performing their duties in the Company, the shareholders holding more than 1% shares separately or jointly for over 180 consecutive days may submit a written request to the Board of Supervisors to file an action with the court. Where Board of Supervisors violate laws, administrative regulations or the Articles of Association in their duty performance and cause loss to the Company, the shareholders holding more than 1% shares separately or jointly for over 180 consecutive days may submit a written request to the Board of Directors to file an action with the court.

In the event that the Board of Supervisors or the Board of Directors refuse to file an action upon receipt of the shareholders' written request specified in the preceding paragraph, or fail to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of the Company, the shareholder(s) specified in the preceding paragraph may, in their own name, directly file an action to the court for the interest of the Company. In the event of any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholder(s) specified in this Articles of Association may file an action with the court pursuant to the provisions of the preceding paragraphs.

The obligations of shareholders are as follows:

- (i) To abide by laws, administrative regulations and the Articles of Association;
- (ii) To provide Share capital according to the Shares subscribed and the subscription methods;
- (iii) Not to withdraw Shares unless prescribed otherwise in laws and administrative regulations;
- (iv) Not to abuse Shareholders' rights to infringe upon the interests of the Company or other Shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of Shareholders to damage the interests of the Company's creditors;
- (v) To perform other duties prescribed in laws, administrative regulations, departmental rules, normative documents, the listing rules of the place(s) where the Company's shares are listed and the Articles of Association.

Shareholders of a company who abuse their shareholders' rights and cause the company or other shareholders to suffer damages shall bear compensation liability in accordance with the law. Shareholders of a company who abuse the independent legal person status of the company and limited liability of shareholders to evade debts and cause damage to the interests of the creditors of the company shall bear joint liability for the company's debt.

If the shareholders holding more than 5% of the voting shares of the Company pledge their shares, they shall submit a written report to the Company on the day of such pledge.

The controlling shareholder and actual controller of the Company shall not use their connected relationship to damage the legitimate interests of the Company; who violate the rules and cause losses to the Company shall be liable for compensation.

The controlling shareholder and actual controller of the Company shall have a duty of good faith to the Company and public shareholders. Controlling shareholder shall exercise its investor's rights in strict accordance with the law and shall not damage the legitimate rights and interests of the Company or of public Shareholders in any way such as via the distribution of profits, an asset reorganization, external investments, the capital occupation or the provision of a loan guarantee, nor shall the controlling shareholder abuse its controlling positions to damage the interests of the Company or of public shareholders.

General Provisions for Shareholders' Meetings

The shareholders' meeting is the organ of authority of the Company, which exercises its powers in accordance with the law:

- (i) To elect or replace the Directors and Supervisors and to decide on matters relating to the remuneration of Directors and Supervisors;
- (ii) To examine and approve reports of the Board of Directors;
- (iii) To examine and approve reports of the Board of Supervisors;
- (iv) To examine and approve the Company's proposals for profit distribution plans and loss recovery plans;
- (v) To decide on any increase or decrease of the Company's registered capital;
- (vi) To decide on the issue of corporate bonds by the Company;
- (vii) To decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;
- (viii) To amend the Articles of Association;
- (ix) Resolution on appointment and dismissal of an accounting firm by the Company;
- (x) To examine and approve the guarantees stipulated in the Articles of Association that need to be examined and approved by the Shareholders' meeting;
- (xi) To examine matters relating to the purchases and sales of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets (excluding the purchase of raw materials, fuel and power, and the sale of products, commodities and other assets relevant to daily operation, but excluding the purchase and sale of such assets involved in asset replacement);
- (xii) To examine and approve matters relating to changes in the use of proceeds;

- (xiii) To examine and approve the equity incentive plans and employee stock ownership plans;
- (xiv) To examine other matters as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association of the Company, which shall be decided by the shareholders' meeting.

The shareholders' meeting may authorize the board of directors to make resolutions on issuance of bonds by the Company. Except for the above, the aforesaid powers of the shareholders' meeting shall not be exercised by the board of directors or any other institution or individual on its behalf upon authorization.

The following acts of external guarantee of the Company shall be submitted to the shareholders' meeting for deliberation and approval:

- (i) The single guarantee for an amount more than 10% of the Company's net assets audited in the latest period;
- (ii) Any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has exceeded 50% of the Company's net assets as audited in the latest period;
- (iii) Any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's total assets audited in the latest period;
- (iv) Any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;
- (v) Basis of the cumulative guarantee amount within twelve consecutive months, the total amount of external guarantees provided by the Company has exceeded 30% of the Company's total assets audited in the latest period;
- (vi) The total amount of guarantee provided by a company exceeds 50% of the latest audited net assets of the company within twelve consecutive months and the absolute amount exceeds RMB50 million;
- (vii) The guarantee to be provided to a shareholder, or to an actual controller or related party thereof;
- (viii) Other guarantees required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Matters requiring external guarantees to be submitted for review by the Company's shareholders' meeting must first be reviewed and approved by the Company's Board of Directors before they can be submitted for review by the shareholders' meeting. When the Board of Directors reviews guarantee matters, approval must be obtained from more than

two-thirds of the Directors present at the Board meeting. When the shareholders' meeting reviews the guarantee matters mentioned in item (v) of the preceding paragraph, approval must be obtained from more than two-thirds of the voting rights held by the shareholders present at the meeting.

When the shareholders' meeting reviews proposals for guarantees provided to shareholders, actual controller, and their affiliates, the shareholder in question or the shareholder under the control of the actual controller shall not participate in the voting on such proposals. The voting on such proposals shall be passed by a majority of the voting rights held by the other shareholders present at the shareholders' meeting. If the company provides guarantees for the controlling shareholders, actual controller, and their affiliates, the controlling shareholder, actual controller, and their affiliates shall provide counter-guarantees.

The company may provide guarantees for wholly-owned subsidiaries, or for controlled subsidiaries where other shareholders of the controlled subsidiary provide guarantees in proportion to their equity interests, and in compliance with the securities regulatory rules of the place where the company's share is listed, such guarantees may be exempt from submission for review by the shareholders' meeting if they fall under items (i), (ii), (iv), or (vi) of the first paragraph of this article.

The shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year and be held within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

- (i) The number of Directors is less than the number provided for in the PRC Company Law or less than two-thirds of the number prescribed in the Articles of Association;
- (ii) The uncovered losses of our Company reach one-third of its total paid-in share capital;
- (iii) A written request from shareholders who separately or jointly hold 10% or more shares in the Company;
- (iv) The Board of Directors considers it necessary;
- (v) The Board of Supervisors proposes that such a meeting shall be held;
- (vi) Other circumstances conferred by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Assembling of Shareholders' Meetings

The shareholders' meeting shall be convened by the Board of Directors, which shall convene the shareholders' meeting within the time limit specified in the Company's Articles of Association. If the Board of Directors is unable or fails to perform its duty to convene the shareholders' meeting, the supervisory board shall promptly convene and preside over it. If the supervisory board does not convene and preside over the meeting, shareholders who individually or collectively hold more than 10% of the company's shares for a continuous period of 90 days or more may convene and preside over the meeting on their own.

After obtaining the consent of a majority of all independent directors, an independent director has the right to propose to the Board of Directors to convene a special shareholders' meeting. Upon receiving such a proposal, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the company's Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene a special shareholders' meeting. If the Board of Directors agrees to convene a special shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the board resolution. If the Board of Directors disagrees to convene a special shareholders' meeting, it shall state the reasons and make an announcement.

The supervisory board has the right to propose to the Board of Directors to convene a special shareholders' meeting and shall submit such proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and this Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene a special shareholders' meeting.

If the Board of Directors agrees to convene a special shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the board resolution. Any changes to the original proposal in the notice shall be subject to the consent of the supervisory board. If the Board of Directors disagrees to convene a special shareholders' meeting, or fails to provide feedback within 10 days of receipt, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the shareholders' meeting. In such cases, the supervisory board may convene and preside over the meeting on its own.

Shareholders who individually or collectively hold more than 10% of the company's shares have the right to request the Board of Directors to convene a special shareholders' meeting and shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the company's Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene a special shareholders' meeting. If the Board of Directors agrees to convene a special shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. If the Board of Directors disagrees to convene a special shareholders' meeting, or fails to provide

feedback within 10 days of receipt, shareholders who individually or collectively hold more than 10% of the company's shares have the right to propose to the supervisory board to convene a special shareholders' meeting and shall submit such request in writing to the supervisory board. If the supervisory board agrees to convene a special shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after receiving the request. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders. If the supervisory board fails to issue a notice of the shareholders' meeting within the prescribed period, it shall be deemed that the supervisory board does not convene and preside over the shareholders' meeting. In such cases, shareholders who individually or collectively hold more than 10% of the company's shares for a continuous period of 90 days or more may convene and preside over the meeting on their own.

Proposals and Notices of Shareholders' Meetings

The company may convene a shareholders' meeting, and the Board of Directors, the supervisory board, as well as shareholders who individually or collectively hold more than 1% of the company's shares, have the right to submit proposals to the company.

Shareholders who individually or collectively hold more than 1% of the company's shares may submit a temporary proposal in writing to the convener 10 days prior to the shareholders' meeting. The temporary proposal must have a clear agenda and specific resolution items. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days after receiving the proposal, announcing the content of the temporary proposal. However, this does not apply if the temporary proposal violates the provisions of laws, administrative regulations, or the company's Articles of Association, or if it is not within the scope of the shareholders' meeting's authority. If, according to the securities regulatory rules of the place where the company's stock is listed, the shareholders' meeting must be postponed due to the issuance of a supplementary notice, the meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the company's stock is listed.

Except for the circumstances specified in the preceding paragraph, after the convener has issued the notice of the shareholders' meeting, it shall not modify the proposals already listed in the notice or add new proposals.

The shareholders' meeting shall not vote on or make resolutions regarding proposals that are not listed in the notice of the shareholders' meeting or that do not comply with the provisions of the company's Articles of Association.

The convener shall notify each shareholder in writing (including by announcement) at least 21 days before the annual shareholders' meeting, and at least 15 days before the special shareholders' meeting.

A notice of a shareholders' meeting shall include the following:

- (i) the time, venue and duration of the meeting;
- (ii) matters and proposals submitted to the meeting for consideration;
- (iii) a prominent written statement that all Shareholders are entitled to attend shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a shareholder of the Company;
- (iv) the record date of registration of Shareholders entitled to attend the shareholders' meeting;
- (v) the name and telephone number of the regular contact person for the meeting;
- (vi) the time and procedure for voting online or through other means;
- (vii) Other requirements.

After the shareholders' meeting notice has been issued, the meeting should not be postponed or canceled without a valid reason, and the proposals listed in the notice should not be canceled. In the event of a postponement or cancellation, the convener shall announce and explain the reasons at least two trading days before the originally scheduled date. If the securities regulatory rules of the place where the company's stock is listed have special provisions regarding the procedures for postponing or canceling a shareholders' meeting, these provisions shall be followed, provided that they do not violate the regulatory requirements of the domestic jurisdiction.

Convening of Shareholders' Meetings

All shareholders or their proxies registered on the record date for equity registration shall be entitled to attend the shareholders' meeting. They shall have the right to speak and exercise voting rights at the meeting in accordance with relevant laws, regulations, and the company's Articles of Association (unless individual shareholders are required to abstain from voting on certain matters under the securities regulatory rules of the place where the company's stock is listed). Shareholders may attend the shareholders' meeting in person or appoint a proxy to attend and vote on their behalf.

When the shareholders' meeting is convened, all directors, supervisors, and the secretary of the Board of Directors shall be present at the meeting, and the General Manager and other senior management personnel shall attend the meeting as observers.

The shareholders' meeting shall be presided over by the chairman of the board. If the chairman is unable or fails to perform his duties, the meeting shall be presided over by the co-chairman or vice-chairman elected by a majority of the directors; if the co-chairman and

vice-chairman are unable or fail to perform their duties, one director shall be elected by a majority of the directors to preside over the meeting. If the shareholders' meeting is convened by the supervisory board, it shall be presided over by the chairman of the supervisory board. If the chairman of the supervisory board is unable or fails to perform his duties, one supervisor shall be elected by a majority of the supervisors to preside over the meeting. If the shareholders' meeting is convened by the shareholders themselves, a representative shall be elected by the conveners to preside over the meeting. If the presiding officer of the meeting violates the rules of procedure and prevents the meeting from proceeding, upon the agreement of more than half of the shareholders present and entitled to vote, the shareholders' meeting may elect one person to serve as the presiding officer to continue the meeting.

The company shall establish rules of procedure for the shareholders' meeting, which shall detail the procedures for convening and voting at the shareholders' meeting, including notification, registration, review of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, record-keeping and signing, and announcement. The rules shall also specify the principles and specific content of the authorization granted by the shareholders' meeting to the Board of Directors. The rules of procedure for the shareholders' meeting shall be an appendix to the company's Articles of Association, drafted by the Board of Directors, and approved by the shareholders' meeting.

Voting at the Shareholders' Meeting

The resolutions of the Shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution at a shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' meeting (including proxies). A special resolution at a shareholders' meeting shall be passed by at least two-thirds of the voting rights held by the shareholders present at the shareholders' meeting (including proxies).

The following matters shall be approved by the shareholders' meeting through ordinary resolutions:

- (i) Work reports of the Board of Directors and the Board of Supervisors;
- (ii) Plans of earnings distribution and recovery of losses schemes drafted by the Board of Directors;
- (iii) Appointment or dismissal of the members of the Board of Directors and the Board of Supervisors, their remunerations and the payment method;
- (iv) Annual report of the Company and summaries of the annual report;
- (v) Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

The following matters shall be approved by special resolution at the shareholders' meeting:

- (i) The increase or reduction of the registered capital of the Company;
- (ii) The division, merger, dissolution and liquidation of the Company;
- (iii) Any amendment to the Articles of Association;
- (iv) The purchase and sale of material assets or amount of guarantee provided by the Company within one year valued at more than 30% of the audited total assets of the Company as at the most recent period;
- (v) Share incentive plan;
- (vi) other matters as required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, shall be passed by a special resolution.

Shareholders (including proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall be entitled to one vote. Where the securities regulatory rules at the place where the shares of the company are listed provide otherwise, such provisions shall prevail.

Where material issues affecting the interests of minority shareholders are considered at the shareholders' meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The Company's own shares held by the Company do not carry voting rights and such shares shall not count towards the total number of shares with voting rights at shareholders' meeting. If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the "Securities Law," the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' meeting for 36 months after the purchase.

In accordance with the requirements of relevant laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, if any shareholder is required to abstain from voting on the relevant proposal, or restricts any shareholder from voting only for or against the designated proposal, any vote taken by such shareholder or his representative in violation of the aforesaid provisions or restrictions shall not be counted in the voting results. The Board of Directors of a company, independent directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in

accordance with laws and regulations, may act as solicitors, either by themselves or by entrusting securities companies or securities service institutions, to publicly request shareholders to entrust them to attend shareholders' meetings on their behalf and exercise shareholder rights such as the right to propose and vote on their behalf, but shall not publicly solicit shareholder rights in a paid or disguised paid manner. Except for the statutory conditions, the Company shall not impose a minimum shareholding restriction on the solicitation of voting rights. The solicitor shall disclose the solicitation announcement and related solicitation documents in accordance with regulations, and disclose the progress and results of the solicitation in accordance with regulations, and the Company shall cooperate. If the solicitor holds the company's shares, it shall promise not to transfer the shares held before the announcement of the resolution of the shareholders' meeting to deliberate the solicitation proposal. The solicitor may use electronic means to publicly solicit shareholders' rights to facilitate the entrustment of shareholders, and the company shall cooperate. If the solicitor only puts forward voting opinions on some of the proposals at the shareholders' meeting, it shall also solicit the voting opinions of shareholders on other proposals and vote on their behalf according to their opinions.

When the shareholders' meeting reviews matters related to related-party transactions, associated shareholders shall not participate in the voting, and the number of shares they represent with voting rights shall not be included in the total number of valid votes; the announcement of the shareholders' meeting resolution shall fully disclose the voting situation of non-associated shareholders.

BOARD OF DIRECTORS

Directors

Directors may include executive Directors, non-executive Directors, and independent Directors. The non-executive director means the director who does not hold a management position in the Company.

Directors of the Company shall be individuals, and a person may not serve as a Director of the Company in case of any of the following circumstances:

- (i) the person without civil conduct capacity or with limited civil conduct capacity;
- (ii) the person who has committed an offense of corruption, bribery, conversion of property, misappropriation of property or sabotaging the market economic order of socialism and has been punished therefor; or who has been deprived of his/her political rights, in each case where less than 5 years have elapsed since the date of the completion of implementation of such punishment or deprivation; in the case of a suspended sentence, for a period not exceeding two years from the date of expiry of the probationary period;

- (iii) the person who is a former director, factory director or General Manager (President) of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;
- (iv) the person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to shut down due to a violation of the law and who incurred personal liability, where less than 3 years have elapsed since the date of such revocation of the business license;
- (v) the person listed as a judgment defaulter by the court of the PRC because the amount of debt he bears is relatively large and the debt is not paid off when it is due;
- (vi) the person has been banned by the CSRC from access to the securities market, and the term of prohibition has not expired;
- (vii) other contents stipulated by laws, administrative regulations or departmental rules or the securities regulatory rules of the place where the shares of the Company are listed.

Where a Director is elected or appointed in violation of the provisions above, the election, appointment or appointment shall be invalid. If a Director falls under the provisions above during his or her tenure, the Company shall dismiss him or her from office.

Directors are elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting before the expiration of their term. The term of office for directors is three years, and they may be re-elected for consecutive terms. If the securities regulatory rules of the place where the company's stock is listed have other provisions regarding the re-election of directors, such provisions shall apply.

The term of office for directors begins on the date of their appointment and ends when the current Board of Directors' term expires. If the term of office for directors expires and a timely re-election has not taken place, the outgoing directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, and the company's Articles of Association until the newly elected directors take office.

Subject to the securities regulatory rules of the place where the company's stock is listed, if the Board of Directors appoints new directors to fill a temporary vacancy or to increase the number of directors, the term of the appointed director shall only extend to the first annual shareholders' meeting following their appointment, at which time they shall be eligible for re-election.

The company shall not replace more than half of the total number of directors within any continuous twenty-four-month period; however, this limitation does not apply if a director resigns or is removed from office for violating laws, administrative regulations, or the company's Articles of Association, resulting in the number of directors falling below the number stipulated in the Articles of Association. Directors who are re-elected for consecutive terms are not considered to be replaced or newly elected under this provision.

Directors may concurrently hold the position of General Manager or other senior management positions, but the total number of directors who concurrently hold the position of General Manager or other senior management positions shall not exceed half of the total number of directors of the company.

Directors shall comply with laws, administrative regulations, and the company's Articles of Association and owe the following duties of diligence to the company:

- (i) They shall exercise the rights granted to them by the company with prudence, diligence, and care to ensure that the company's business activities comply with national laws, administrative regulations, and all national economic policies, and that business operations do not exceed the scope of business specified in the business license;
- (ii) They shall treat all shareholders fairly;
- (iii) They shall promptly understand the status of the company's business operations and management;
- (iv) They shall sign a written confirmation on the company's regular reports to ensure that the information disclosed by the company is true, accurate, and complete;
- (v) They shall provide relevant information and materials to the supervisory board truthfully and shall not obstruct the supervisory board or supervisors from exercising their powers;
- (vi) They shall not provide any form of convenience or assistance that is detrimental to the legitimate rights and interests of the company or shareholders to any organization or individual and their acquisition actions that are intended to or are implementing a hostile takeover of the company;
- (vii) Other duties of diligence as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the company's stock is listed, and the company's Articles of Association.

Directors may resign before the expiration of their term. Resignation of a director shall be submitted to the Board of Directors in writing. The Board of Directors shall disclose the relevant circumstances within two days. If the resignation of a director causes the number of

directors on the board to fall below the statutory minimum, the outgoing director shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, and the company's Articles of Association until the newly elected director takes office. Except for the circumstances mentioned in the preceding paragraph, the resignation of a director shall take effect upon the delivery of the resignation letter to the Board of Directors.

Without the provisions of the company's Articles of Association or the lawful authorization of the Board of Directors, no director shall act on behalf of the company or the Board of Directors in their personal capacity. When a director acts in their personal capacity, if a third party would reasonably believe that the director is acting on behalf of the company or the Board of Directors, the director shall make a prior declaration of their position and identity.

The qualifications, nomination, resignation, and other matters concerning independent directors shall be carried out in accordance with the relevant provisions of laws, regulations, other normative documents, the securities regulatory rules of the place where the company's stock is listed, and the company's management system.

Board of Directors

The Company has established a Board of Directors which shall be accountable to the shareholders' meetings.

The Board of Directors shall consist of 9 directors, including 3 Independent Directors.

The Board shall exercise the following duties and powers:

- (i) to convene shareholders' meetings and report its work to the shareholders' meetings;
- (ii) to implement the resolutions of the shareholders' meetings;
- (iii) to resolve business operation plans and investment plans of the Company;
- (iv) to formulate the profit distribution plans and plans for recovery of losses of the Company;
- (v) to formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (vi) to draft plans for significant acquisitions of the Company, the purchase of Shares of the Company, merger, division, dissolution or change of the form of the Company;
- (vii) to determine, to the extent authorized by the shareholders' meeting, on such matters as the external investments, purchase or sale of assets, assets mortgage, external guarantee, entrusted wealth management, connected transactions of the Company;

- (viii) to determine the internal management structure of the Company;
- (ix) to determine the appointment or dismissal of the General Manager of the Company, the Board secretary; and based on the nomination of the General Manager, to determine the appointment or dismissal of the senior management including Deputy General Managers and chief financial officer of the Company and determine their remuneration, rewards and penalties;
- (x) to formulate the basic management system of the Company;
- (xi) to formulate proposals for any amendment of the Articles of Association;
- (xii) to manage the information disclosure of the Company;
- (xiii) to propose to the shareholders' meeting for appointment or replacement of the accounting firms which provide audit services to the Company;
- (xiv) to listen to work reports of the General Manager of the Company and review his/her work;
- (xv) to take timely and effective measures to maintain the stability of the company and the interests of the shareholders thereof in case of any crisis in the company provided that mandatory provisions of laws and regulations are not violated;
- (xvi) other duties as stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Matters beyond the scope of such authorization shall be submitted to the shareholders' meeting for consideration.

The Board of Directors shall establish special committees such as audit committee, strategy committee, nomination committee, remuneration and appraisal committee, etc. The special committees shall be accountable to the Board of Directors, perform duties pursuant to the company's Articles of Association and the authorization of the Board of Directors, and submit motions to the Board of Directors for deliberation and decision. All members of the special committees shall be directors, among which the audit committee, the nomination committee and the remuneration and appraisal committee shall be chaired by independent directors, while the audit committee shall be chaired by an accounting professional.

The Board of Directors shall have one Chairman, one Co-Chairman, and two Vice Chairmen. The Chairman, Co-Chairman, and Vice Chairmen shall be elected by the Board of Directors with the approval of a majority of all directors.

The Board of Directors shall convene at least four regular meetings per year, called by the Chairman, and all directors and supervisors shall be notified in writing at least 14 days prior to the meeting by personal delivery, mail, fax, or email. Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, or the supervisory board may propose to convene an extraordinary meeting of the Board of Directors. The Chairman shall convene and preside over the Board of Directors meeting within 10 days after receiving the proposal.

A meeting of the Board of Directors shall be held only if more than half of the directors are present. Resolutions of the Board of Directors must be passed by a majority of all directors. Voting on resolutions of the Board of Directors shall be conducted on a one person, one vote basis.

If a director has an associated relationship with the subject matter of a resolution of the Board of Directors, such director shall not exercise the voting right on such resolution, nor shall such director act on behalf of other directors in exercising the voting right. A meeting of the Board of Directors may be held if more than half of the directors without associated relationships are present, and resolutions made at the meeting of the Board of Directors must be passed by a majority of the directors without associated relationships. If the number of directors without associated relationships attending the Board of Directors is less than three, the matter shall be submitted to the shareholders' meeting for review. If laws, regulations, or the securities regulatory rules of the place where the company's stock is listed impose additional restrictions on directors' participation in Board of Directors meetings and voting, such provisions shall prevail.

When the Board of Directors reviews matters related to associated transactions, directors (including authorized agents) who have an associated relationship with such matters may attend the Board of Directors meeting and may explain their views to the attending directors in accordance with the meeting procedures, but they must abstain from voting.

General Manager and Other Senior Management Members

The company shall have one General Manager, several Deputy General Managers, and one Secretary to the Board of Directors, all of whom shall be appointed or dismissed by the Board of Directors.

The General Manager, Deputy General Managers, Chief Financial Officer, Secretary to the Board of Directors, and other senior management personnel confirmed by the Board of Directors of the company are considered senior management personnel of the company.

The provisions in the company's Articles of Association regarding the fiduciary duties and duties of care of directors shall also apply to senior management personnel.

The General Manager is responsible to the Board of Directors and exercises the following powers:

- (i) To preside over the company's production and business management activities, implement the resolutions of the Board of Directors, and report work to the Board of Directors;
- (ii) To implement the company's annual business plan and investment programs;
- (iii) To draft proposals for the establishment of internal management institutions of the company;
- (iv) To draft the company's basic management systems;
- (v) To formulate specific regulations of the company;
- (vi) To propose to the Board of Directors the appointment or dismissal of Deputy General Managers and the Chief Financial Officer;
- (vii) To decide on the appointment or dismissal of management personnel other than those who should be appointed or dismissed by the Board of Directors;
- (viii) Other powers granted by the company's Articles of Association or the Board of Directors.

The General Manager shall attend the meetings of the Board of Directors.

Senior management personnel of the company shall faithfully perform their duties and safeguard the maximum interests of the company and all shareholders. If senior management personnel fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the company and the public shareholders, they shall be liable for compensation in accordance with the law.

SUPERVISORY COMMITTEE

Supervisory

The circumstances of disqualification for Directors prescribed in the Articles of Association shall be applicable to Supervisors. Directors, the General Manager and other senior management shall not concurrently serve as Supervisors.

A Supervisor shall serve for a term of 3 years and may serve consecutive terms if re-appointed upon expiry of a term.

Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a Supervisor, or in the event that the resignation of the Supervisor during his/her term of office results in the number of members of the Board of Supervisors falling below the statutory minimum requirement, such Supervisor shall continue to perform his/her duties as a Supervisor in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until the newly elected Supervisor assumes the office.

Supervisors shall not use their affiliated relationships to damage the interests of the Company, and shall be liable for compensation if they cause losses to the Company.

If Supervisors of the Company violate the laws, administrative regulations, departmental rules and the Articles of Association when conducting their duties, causing damage to the Company, they shall be liable for compensation.

Board of Supervisors

The Company shall have a Board of Supervisors. The Board of Supervisors comprises 3 Supervisors including one supervisor who is the representative of employees. The Board of Supervisors comprises with 1 chairman. The Chairman of the Board shall be elected by more than half of all the Supervisors.

The Chairman of the Board shall convene and preside over supervisory board meetings. Where the Chairman of the Board is unable or fails to perform his/her duties, the supervisory board meetings shall be convened and presided over by a Supervisor jointly elected by more than half of the Supervisors.

The Board of Supervisors shall include representatives of Shareholders and a proper proportion of employee representatives of the Company. The proportion of employee representatives shall be no less than one third of the Supervisors appointed. The employee representatives of the Board of Supervisors shall be elected by the Company's employees through the employee representatives meeting, employee meeting or otherwise democratically.

The Board of Supervisors shall exercise the following duties and powers:

- (i) to review the periodic reports of the Company prepared by the Board of Directors and express its written opinion;
- (ii) to check the financial condition of the Company;
- (iii) to supervise the performance of Directors and senior management in the performance of their duties, and propose the removal of Directors and senior management who violate laws, administrative regulations, the Articles of Association or the resolutions of the shareholders' meetings;

- (iv) to require Directors and the senior management to make corrections if their conduct has damaged the interests of the Company, reporting to the shareholders' meeting or relevant competent governmental authorities if necessary;
- (v) to propose the convening of extraordinary shareholders' meetings and, in the event that the Board of Directors fails to perform the obligations to convene and preside over the shareholders' meetings in accordance with the PRC Company Law, to convene and preside over the shareholders' meetings;
- (vi) to propose proposals to the shareholders' meetings;
- (vii) To proposal to hold Interim Board meetings;
- (viii) to file lawsuit against Directors and senior management in accordance with Article 189 of the PRC Company Law;
- (ix) in case of any irregularity identified in the operations of the Company, investigations may be conducted, and if necessary, professional institutions such as accounting firms and law firms may be engaged to assist in their work at the expense of the Company;
- (x) Other functions and powers granted by laws, administrative regulations, departmental rules, or the Articles of Association.

The Board of Supervisors shall convene at least one regular meeting every six months. Supervisors may propose to convene an extraordinary supervisory board meeting.

Resolutions of the Board of Supervisors shall be passed by more than half of the Supervisors with one vote for each Supervisor.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and regulations of relevant departments.

The company's financial accounting reports are prepared, submitted, and disclosed in accordance with the relevant provisions of laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the company's share is listed. The company shall prepare and submit the annual report to the CSRC and the stock exchange where the company's share is listed within four months after the end of each fiscal year; submit and disclose the interim report to the CSRC's dispatched institutions and the stock exchange within two months after the end of the first half of each fiscal year; and submit the quarterly reports

within one month after the end of the first three months and the first nine months of each fiscal year. The aforementioned annual reports, interim reports, and quarterly reports are prepared in accordance with the relevant provisions of laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the company's stock is listed.

The Company shall not establish the statutory account books accounts other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

Distribution of Profits

When distributing after-tax profits of the year, the Company shall allocate 10% of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not to make any further allocations to that fund. Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision.

After the company has extracted the statutory surplus reserve from the post-tax profit, it may, upon resolution of the shareholders' meeting, extract a discretionary surplus reserve from the post-tax profit. The remaining post-tax profit after the company has made up for losses and extracted surplus reserves shall be distributed in proportion to the shares held by the shareholders. If the shareholders' meeting violates the provisions of the preceding paragraph and distributes profits to the shareholders before the company has made up for losses and extracted the statutory surplus reserve, the shareholders must return the profits distributed in violation of the regulations to the company. Shares held by the company itself do not participate in the profit distribution. The company must appoint one or more collection agents in Hong Kong for the H-shareholders. The collection agent shall collect and hold on behalf of the relevant H-shareholders the dividends and other payments distributed by the company in respect of the H-shares, pending payment to such H-shareholders. The collection agent appointed by the company shall meet the requirements of laws and regulations and the securities regulatory rules of the place where the company's share is listed.

The company's surplus reserves are used to make up for the company's losses, to expand the company's production and operations, or to increase the company's registered capital. When using surplus reserves to make up for losses, the discretionary surplus reserve and the statutory surplus reserve shall be used first; if they are still insufficient to make up for the losses, the capital surplus reserve may be used in accordance with the regulations; if there are still losses, the registered capital may be reduced to make up for the losses. When reducing the registered capital to make up for losses, the company shall not distribute profits to the shareholders, nor shall it exempt the shareholders from the obligation to pay contributions or share payments. In accordance with the provisions of the preceding paragraph, the company shall announce in the designated publications or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within thirty days from the date the

shareholders' meeting makes a resolution to reduce the registered capital. After the company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits before the cumulative amount of the statutory surplus reserve and the discretionary surplus reserve reaches fifty percent of the company's registered capital. When the statutory surplus reserve is converted into capital, the amount of such surplus reserve retained shall not be less than twenty-five percent of the company's registered capital before the increase.

The company's profit distribution policy maintains continuity and stability, while also considering the company's long-term interests, the overall interests of all shareholders, and the company's sustainable development. The company's Board of Directors and shareholders' meeting will fully consider the opinions of independent directors and public investors in the decision-making and argumentation process of the profit distribution policy.

The company's profit distribution may take the form of cash, shares, or a combination of both. If the conditions for cash dividends are met, the company will in principle prioritize the cash dividend method of profit distribution; when the company has major investment plans or major cash expenditures, it may distribute dividends in the form of shares.

Internal Audit

The Company implements an internal audit system which is equipped with dedicated audit personnel to conduct internal audits for supervision of financial income and expenditure and economic activities of the Company.

The internal audit system of the Company and the duties of audit personnel shall be implemented upon approval by the Board of Directors. The head of audit shall be accountable and report to the Board of Directors.

Appointment of an Accounting Firm

The Company shall appoint such accounting firm which has complied with the Securities Law, and the securities regulatory rules of the place where the shares of the Company are listed for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be 1 year and can be re-appointed.

The appointment of accounting firm by the Company shall be subject to the approval of shareholders' meetings. The Board shall not appoint accounting firm before the approval of the shareholders' meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The auditing fee of the accounting firm or the method of determining audit fee shall be determined by the shareholders' meeting.

In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 10 days in advance; when the shareholders' meeting votes on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation. An accounting firm proposing to resign shall state its opinions in the shareholders' meeting whether the Company has committed any improper act.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase, and Capital Reduction

Merger of the Company may take the form of absorption or establishment of a new company. In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall publish an announcement on the designated press or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts. Where the securities regulatory rules at the place where the shares of the Company are listed have separate provisions, such provisions shall also be complied with simultaneously.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

Where there is a division of the Company, its assets shall be divided accordingly. Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on the designated press or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement on the designated press or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

The registered capital of the Company after the reduction shall not be less than the statutory minimum amount.

In the event of a merger or division of a company, if there is a change in the registration items, the Company shall go through the change registration with the company registration authority in accordance with the law; If the Company is dissolved, it shall go through the deregistration of the procedures company in accordance with the law; If a new company is established, the company establishment registration shall be completed in accordance with the law. If the Company increases or decreases its registered capital, it shall go through the change registration with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of the following events:

- (i) expiry of the term of business provided in the Articles of Association or other cause of dissolution as specified therein;
- (ii) a resolution on dissolution is passed by a shareholders' meeting;
- (iii) dissolution is required due to the merger or division of the Company;
- (iv) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;
- (v) the Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to Shareholders' interests, and such issues cannot be resolved through other means, Shareholders representing 10% or above of the total voting rights of the Company may plead the court to dissolve the Company.

If the Company is in the situation as described in Item (i) of the preceding paragraph and has not yet distributed its properties to shareholders, it can continue to exist by amending the Articles of Association or through a resolution of the shareholders' meeting. The amendment of the Articles of Association or the resolution of the shareholders' meeting as per the preceding paragraph must be passed by more than two-thirds of the voting rights held by the shareholders attending the shareholders' meeting.

If the company is dissolved due to the provisions mentioned in items (i), (ii), (iv), and (v) above, a liquidation shall be conducted. The directors shall be the obligors for the company's liquidation and must form a liquidation group within 15 days from the date the cause for dissolution arises to carry out the liquidation. The liquidation group shall be composed of directors or persons determined by the shareholders' meeting. If the liquidation group is not established within the prescribed period to conduct the liquidation, or if the liquidation group is established but fails to conduct the liquidation, interested parties may apply to the People's Court to appoint relevant personnel to form a liquidation group to conduct the liquidation.

The liquidation group shall notify the creditors within 10 days from the date of its establishment and announce it in the designated newspapers or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice.

When declaring claims, creditors shall specify the relevant matters of the claims and provide supporting documents. The liquidation group shall register the claims.

During the period for declaring claims, the liquidation group shall not make repayments to the creditors.

After the liquidation group has sorted out the company's assets, prepared the balance sheet and inventory of assets, it shall formulate a liquidation plan and submit it to the shareholders' meeting or the court for confirmation. The Company's assets shall be used to pay the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, to pay the taxes owed, and to repay the company's debts. The remaining assets shall be distributed among the shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to the liquidation. The Company's assets shall not be distributed to the shareholders before the aforementioned provisions have been complied with.

After sorting out the Company's assets and preparing the balance sheet and inventory of assets, the liquidation group finds that the Company's assets are insufficient to repay the debts, it shall apply to the court for bankruptcy liquidation in accordance with the law. After the court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator appointed by the court.

Upon the completion of the company's liquidation, the liquidation group shall prepare a liquidation report, submit it to the shareholders' meeting or the court for confirmation, and file it with the company registration authority to apply for the cancellation of the company registration and announce the termination of the company.

If the company is declared bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

- (i) after amendments are made to the PRC Company Law or other relevant laws, administrative regulations and regulatory rules at the place where the shares of the Company are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws, administrative regulations and regulatory rules at the place where the shares of the Company are listed;
- (ii) if certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;
- (iii) the shareholders' meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the shareholders' meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved changes shall be registered in accordance with the laws.

The Board shall amend the Articles of Association in accordance with the resolution of the shareholders' meetings on amendment to the Articles of Association and the examination and approval opinions from relevant authorities.

Any amendment to the Articles of Association that is required to be disclosed in accordance with laws and regulations shall be announced in accordance with provisions thereof.

1. FURTHER INFORMATION ABOUT OUR GROUP**A. Incorporation of Our Company**

Our Company was incorporated in the PRC on December 16, 2011, and was converted into a joint stock limited company on December 15, 2015. Our Company completed the listing of our A Shares on the ChiNext of the Shenzhen Stock Exchange (stock code: 300750) in June 2018.

As of the date of this prospectus, our Company's registered address and headquarters are located at No. 2 Xingang Road, Zhangwan Town, Jiaocheng District, Ningde City, Fujian Province, the PRC. Our Company's corporate structure and Articles of Association are governed by PRC laws and regulations.

The relevant PRC laws and regulations and a summary of the Articles of Association are set out in "Appendix IV — Summary of Principal Laws and Regulatory Provisions" and "Appendix V — Summary of the Articles of Association" to this prospectus, respectively.

Our principal place of business in Hong Kong is at 13/F, LKF29, 29 Wyndham Street, Central, Hong Kong. Our Company is registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on June 2, 2022. Mr. Chau Yiu Keung (周耀強) has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for the service of process is the same as our principal place of business in Hong Kong.

B. Changes in the Share Capital of Our Company

Save as disclosed below, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this prospectus.

- (i) As considered and approved at the 22nd meeting of the third session of the Board on August 31, 2023, our Company issued 930,952 A Shares for the vesting of restricted stocks under the 2022 Share Incentive Plan. Upon completion of this issuance, our Company's total share capital increased from 4,396,292,935 to 4,397,223,887.
- (ii) As considered and approved at the 24th meeting of the third session of the Board on October 19, 2023, our Company issued 1,033,810 A Shares for the vesting of restricted stocks under the restricted share incentive plan approved and adopted on October 29, 2020. Upon completion of this issuance, our Company's total share capital increased from 4,397,223,887 to 4,398,257,697.

- (iii) As considered and approved at the 24th meeting of the third session of the Board on October 19, 2023, our Company issued 783,539 A shares for the vesting of restricted stocks under the 2021 Share Incentive Plan. Upon completion of this issuance, our Company's total share capital increased from 4,398,257,697 to 4,399,041,236.
- (iv) As considered and approved at the 23rd meeting of the third session of the Board on September 8, 2023, the 27th meeting of the third session of the Board on March 14, 2024 and the 2023 annual general meeting on April 19, 2024, our Company repurchased and cancelled 126,720 and 107,294 A Shares granted to certain participants but not yet unlocked under the restricted stock incentive plan approved and adopted on July 26, 2018 and the restricted stock incentive plan approved and adopted on July 16, 2019, respectively. Upon completion of this repurchase and cancellation, our Company's total share capital decreased from 4,399,041,236 to 4,398,807,222.
- (v) As considered and approved at the 30th meeting of the third session of the Board on September 9, 2024, our Company issued 3,568,447 A Shares for the vesting of restricted stocks under the 2023 Share Incentive Plan and the 2022 Share Incentive Plan. Upon completion of this issuance, our Company's total share capital increased from 4,398,807,222 to 4,402,375,669.
- (vi) As considered and approved at the 24th meeting of the third session of the Board on October 19, 2023, our Company issued 15 A Shares for the exercise of stock options under the 2021 Share Incentive Plan. Upon completion of this issuance, our Company's total share capital increased from 4,402,375,669 to 4,402,375,684.
- (vii) As considered and approved at the 30th meeting of the third session of the Board on September 9, 2024, our Company issued one A Share for the exercise of stock options under the 2022 Share Incentive Plan. Upon completion of this issuance, our Company's total share capital increased from 4,402,375,684 to 4,402,375,685.
- (viii) As considered and approved at the 31st meeting of the third session of the Board on October 18, 2024, our Company issued 1,090,773 A Shares for the vesting of restricted stocks under the 2021 Share Incentive Plan. Upon completion of this issuance, our Company's total share capital increased from 4,402,375,685 to 4,403,466,458.
- (ix) As considered and approved at the 2024 1st extraordinary general meeting on December 26, 2024, our Company cancelled 71,547 A Shares granted to certain participants but not yet unlocked under the restricted stock incentive plan approved and adopted July 16, 2019. Upon completion of this cancellation on February 21, 2025, our Company's total share capital decreased from 4,403,466,458 to 4,403,394,911.

C. Changes in the Share Capital of Our Major Subsidiaries

We have applied to the Stock Exchange for, and the Stock Exchange has granted us a waiver from strict compliance with the requirements of paragraph 26 of Appendix D1A to the Listing Rules in relation to the disclosure of information relating to the changes in the share capital of any member of our Group within two years immediately preceding the date of this prospectus. For details, see “Waivers and Exemptions — Particulars of Information of Our Subsidiaries.”

From September 2023 to December 2024, the number of issued shares of CATL-HK increased from 577,507,960 to 6,920,892,285, and its issued share capital increased from HK\$577,507,960 to HK\$6,920,892,285.

In January 2025, the number of issued shares of CATL-HK increased from 6,920,892,285 to 8,990,247,066, and its issued share capital increased from HK\$6,920,892,285 to HK\$8,990,247,066.

Save as disclosed above, there has been no alteration in the registered capital of our Major Subsidiaries within two years preceding the date of this prospectus.

D. Shareholders’ Resolutions

At the general meeting of our Company held on January 17, 2025, the following resolutions were passed by the Shareholders:

- (i) the issuance of H Shares with a nominal value of RMB1.00 each by our Company and such H Shares be listed on the Stock Exchange;
- (ii) the number of H Shares to be issued pursuant to the Global Offering before the exercise of the Over-allotment Option shall not exceed 5% of the enlarged share capital of our Company upon completion of the Global Offering, and the Over-allotment Option shall not exceed 15% of the above number of H Shares to be issued;
- (iii) subject to the completion of the Global Offering, the Articles of Association to become effective on the Listing Date shall be conditionally adopted, and the Board and its authorized person have been authorized to amend the Articles of Association in accordance with any comments from the relevant regulatory authorities; and
- (iv) to authorize the Board and its authorized person to handle the matters relating to, among others, the Global Offering, the issuance and listing of the H Shares.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of our Group within two years preceding the date of this prospectus which are or may be material:

- (a) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, Sinopec (Hong Kong) Limited (中石化(香港)有限公司) and Goldman Sachs (Asia) L.L.C., pursuant to which Sinopec (Hong Kong) Limited (中石化(香港)有限公司) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$500 million;
- (b) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, Kuwait Investment Authority and Goldman Sachs (Asia) L.L.C., pursuant to which Kuwait Investment Authority agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$500 million;
- (c) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, HHLR CF, L.P., J.P. Morgan Securities (Far East) Limited and J.P. Morgan Securities (Asia Pacific) Limited, pursuant to which HHLR CF, L.P. agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$200 million;
- (d) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, CICC Financial Trading Limited and China International Capital Corporation Hong Kong Securities Limited, pursuant to which CICC Financial Trading Limited has agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$120 million and hold such H Shares on a non-discretionary basis to hedge a series of cross-border delta-one OTC swap transactions entered into by CICC Financial Trading Limited, China International Capital Corporation Limited and Shanghai Gaoyi Asset Management Partnership (Limited Partnership) (上海高毅資產管理合夥企業(有限合夥)) as investment manager for and on behalf of certain investment funds;
- (e) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, Perseverance Asset Management International (Singapore) Pte. Ltd. (acting for and on behalf of the portfolios under its management or investment advisory services) and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Perseverance Asset Management International (Singapore) Pte. Ltd. (acting for and on behalf of the portfolios under its management or investment advisory services) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$80 million;
- (f) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, Zenith Hop International Limited and Merrill Lynch (Asia Pacific) Limited, pursuant to which Zenith Hop International Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$110 million;

- (g) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, Abstract Enigma Limited and UBS AG Hong Kong Branch, pursuant to which Abstract Enigma Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$100 million;
- (h) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, CICC Financial Trading Limited and China International Capital Corporation Hong Kong Securities Limited, pursuant to which CICC Financial Trading Limited has agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$50 million and hold such H Shares on a non-discretionary basis to hedge a series of cross-border delta-one OTC swap transactions entered into by CICC Financial Trading Limited, China International Capital Corporation Limited and Shanghai Greenwoods Asset Management Co., Ltd. as investment manager for and on behalf of certain investment funds;
- (i) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, Greenwoods Asset Management Hong Kong Limited, J.P. Morgan Securities (Far East) Limited and J.P. Morgan Securities (Asia Pacific) Limited, pursuant to which Greenwoods Asset Management Hong Kong Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$50 million;
- (j) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, Pinpoint Asset Management Limited, J.P. Morgan Securities (Far East) Limited and J.P. Morgan Securities (Asia Pacific) Limited, pursuant to which Pinpoint Asset Management Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$100 million;
- (k) the cornerstone investment agreement dated May 9, 2025 entered into among the Company, UBS Asset Management (Singapore) Ltd. (in its capacity as the delegate of the investment manager for and on behalf of the investors listed in the agreement) and UBS AG Hong Kong Branch, pursuant to which UBS Asset Management (Singapore) Ltd. (in its capacity as the delegate of the investment manager for and on behalf of the investors listed in the agreement) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$100 million;
- (l) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, WT Asset Management Limited and Goldman Sachs (Asia) L.L.C., pursuant to which WT Asset Management Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$100 million;
- (m) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, CPE Redwood Investment Limited and Merrill Lynch (Asia Pacific) Limited, pursuant to which CPE Redwood Investment Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$80 million;

- (n) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, Oaktree Capital Management, L.P. (as the investment manager for and on behalf of the investors listed in the agreement) and Merrill Lynch (Asia Pacific) Limited, pursuant to which Oaktree Capital Management, L.P. (as the investment manager for and on behalf of the investors listed in the agreement) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$75 million;
- (o) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, MX Bright Charm (BVI) Limited and China International Capital Corporation Hong Kong Securities Limited, pursuant to which MX Bright Charm (BVI) Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$70 million;
- (p) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, Mirae Asset Securities Co., Ltd. and Merrill Lynch (Asia Pacific) Limited, pursuant to which Mirae Asset Securities Co., Ltd. agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$40 million;
- (q) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, Mirae Asset Global Investments Co., Ltd. and Merrill Lynch (Asia Pacific) Limited, pursuant to which Mirae Asset Global Investments Co., Ltd. agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$20 million;
- (r) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, RBC Global Asset Management (Asia) Limited (as sub-investment manager for and on behalf of the investors listed in the agreement) and Merrill Lynch (Asia Pacific) Limited, pursuant to which RBC Global Asset Management (Asia) Limited (as sub-investment manager for and on behalf of the investors listed in the agreement) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$53 million;
- (s) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, Pacific Asset Management Co., Limited (太平洋資產管理有限責任公司) and Morgan Stanley Asia Limited, pursuant to which Pacific Asset Management Co., Limited (太平洋資產管理有限責任公司) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$40 million;
- (t) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, CPIC Investment Management (H.K.) Company Limited (中國太保投資管理(香港)有限公司) and Morgan Stanley Asia Limited, pursuant to which CPIC

Investment Management (H.K.) Company Limited (中國太保投資管理(香港)有限公司) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$10 million;

- (u) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, LMR Multi-Strategy Master Fund Limited and Goldman Sachs (Asia) L.L.C., pursuant to which LMR Multi-Strategy Master Fund Limited agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$50 million;
- (v) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, Luoyang Science Technology Innvate Group, Ltd (洛陽科創集團有限公司) and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Luoyang Science Technology Innvate Group, Ltd (洛陽科創集團有限公司) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$50 million;
- (w) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, PSBC Wealth Management Co., Ltd. (中郵理財有限責任公司) and China International Capital Corporation Hong Kong Securities Limited, pursuant to which PSBC Wealth Management Co., Ltd. (中郵理財有限責任公司) agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$50 million;
- (x) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, Taikang Life Insurance Co., Ltd and China Securities (International) Corporate Finance Company Limited, pursuant to which Taikang Life Insurance Co., Ltd agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$50 million;
- (y) the cornerstone investment agreement dated May 8, 2025 entered into among the Company, Lingotto Alternative Investments Master Fund ICAV on behalf of its sub-fund Lingotto Innovation Master Fund, J.P. Morgan Securities (Far East) Limited and J.P. Morgan Securities (Asia Pacific) Limited, pursuant to which Lingotto Alternative Investments Master Fund ICAV on behalf of its sub-fund Lingotto Innovation Master Fund agreed to subscribe for H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US\$30 million; and
- (z) the Hong Kong Underwriting Agreement.

B. Intellectual Property Rights**(a) Trademarks***Registered Trademarks*

As of December 31, 2024, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Registration number	Registered owner	Category	Expiry Date
1. . . .		PRC	11130090	the Company	9	November 13, 2033
2. . . .	CATL	PRC	18794913	the Company	9	February 6, 2027
3. . . .	CATL	PRC	22773120	the Company	9	February 20, 2028
4. . . .	CATL	PRC	22773147	the Company	9	February 20, 2028
5. . . .	时代电服	PRC	44916798	the Company	37	January 6, 2031
6. . . .	宁德时代	PRC	47026533	the Company	12	April 20, 2031
7. . . .	宁德时代	PRC	47029701	the Company	9	April 27, 2031
8. . . .	宁德时代	PRC	51537017	the Company	42	August 27, 2031
9. . . .	宁德时代	PRC	51561417	the Company	9	August 27, 2031
10. . . .	Enerone	PRC	62274008	the Company	9	September 27, 2033
11. . . .	EnerC	PRC	62293700	the Company	9	October 13, 2033
12. . . .	EnerC	PRC	65308017	the Company	9	March 6, 2034
13. . . .	Enerone	PRC	65312246	the Company	9	December 27, 2034

No.	Trademark	Place of registration	Registration number	Registered owner	Category	Expiry Date
14 . . .		PRC	66899562	the Company	12	August 6, 2034
15 . . .	CIIC	PRC	67303155	the Company	12	May 6, 2033
16 . . .	CIIC	PRC	67325303	the Company	9	March 6, 2034
17 . . .	巧克力	PRC	68050063	the Company	9	March 6, 2034
18 . . .	巧克力	PRC	68062615	the Company	37	February 13, 2034
19 . . .	CIIC	PRC	69184599	the Company	12	July 13, 2034
20 . . .	CharGo	PRC	69675945	the Company	37	July 6, 2034
21 . . .	CharGo	PRC	69711753	the Company	9	September 13, 2034
22 . . .		PRC	70677388	the Company	9	October 6, 2034
23 . . .	CIIC	PRC	70964930	the Company	37	May 13, 2034
24 . . .	巧克力	PRC	71095454	the Company	12	December 6, 2034
25 . . .	巧克力	PRC	72027915	the Company	37	December 27, 2033
26 . . .	骐骥	PRC	72434930	the Company	12	February 20, 2034
27 . . .	飞枢	PRC	72474780	the Company	12	January 27, 2034
28 . . .	CharGo	PRC	72964068	the Company	37	August 20, 2034
29 . . .	宁德时代	PRC	73407136	the Company	40	April 13, 2034
30 . . .	宁德时代	PRC	73408204	the Company	37	April 13, 2034
31 . . .	神行	PRC	73415167	the Company	35	December 6, 2034
32 . . .	宁德时代	PRC	73416078	the Company	9	April 13, 2034

No.	Trademark	Place of registration	Registration number	Registered owner	Category	Expiry Date
33 . . .	宁德时代神行	PRC	73426214	the Company	9	April 27, 2034
34 . . .	宁德时代	PRC	73430258	the Company	42	April 6, 2034
35 . . .	骐骥	PRC	75620509	the Company	40	July 27, 2034
36 . . .	宁德时代	PRC	76994672	the Company	9	September 6, 2034
37 . . .	宁德时代天恒	PRC	77398991	the Company	9	September 6, 2034
38 . . .	宁德时代天行	PRC	77527221	the Company	9	September 20, 2034
39 . . .	宁德时代磐石	PRC	77736629	the Company	12	September 27, 2034
40 . . .	宁德时代磐石	PRC	77737313	the Company	9	September 27, 2034
41 . . .	宁家服务	PRC	78179118	the Company	37	November 20, 2034
42 . . .	Ning	PRC	78571610	the Company	37	November 6, 2034

(b) Patents

As of December 31, 2024, we had registered the following patents which we consider to be or may be material to our business:

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
1 . .	the Company	Power battery top cover structure and power battery	Invention	ZL201710078707.8	February 14, 2017	February 13, 2037	PRC
2 . .	the Company	Tab dislocation control method and winding device	Invention	ZL201710822282.7	September 13, 2017	September 12, 2037	PRC
3 . .	the Company	An electrode pole piece, electrochemical device and safety coating	Invention	ZL201711091767.X	November 8, 2017	November 7, 2037	PRC
4 . .	the Company	Electrode pole piece, electrochemical device and safety coating	Invention	ZL201711091766.5	November 8, 2017	November 7, 2037	PRC
5 . .	the Company	Electrode pole piece, electrochemical device and safety coating	Invention	ZL201711092989.3	November 8, 2017	November 7, 2037	PRC
6 . .	the Company	Positive pole piece, electrochemical device and safety coating	Invention	ZL201711091425.8	November 8, 2017	November 7, 2037	PRC
7 . .	the Company	Electrolyte and electrochemical energy storage device	Invention	ZL201711097835.3	November 9, 2017	November 8, 2037	PRC
8 . .	the Company	Current collector, pole piece thereof and battery	Invention	ZL201711267311.4	December 5, 2017	December 4, 2037	PRC
9 . .	the Company	Side plate structure body, shell of battery module and battery module	Invention	ZL201711478653.0	December 29, 2017	December 28, 2037	PRC
10 . .	the Company	Connecting elements and rechargeable battery	Invention	ZL201810039471.1	January 16, 2018	January 15, 2038	PRC
11 . .	the Company	Suspending agent for lithium ion battery cathode, lithium ion battery cathode and lithium ion battery	Invention	ZL201810514684.5	May 25, 2018	May 24, 2038	PRC
12 . .	the Company	Positive plate and lithium ion battery	Invention	ZL201810558165.9	June 1, 2018	May 31, 2038	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
13 . .	the Company	Negative pole piece, preparation method thereof and electrochemical device	Invention	ZL201810712609.X	June 29, 2018	June 28, 2038	PRC
14 . .	the Company	Negative pole piece, preparation method thereof and electrochemical device	Invention	ZL201810720748.7	June 29, 2018	June 28, 2038	PRC
15 . .	the Company	Sampling assembly and battery module	Invention	ZL201810813707.2	July 23, 2018	July 22, 2038	PRC
16 . .	the Company	Electrolyte and lithium ion battery	Invention	ZL201810884022.7	August 6, 2018	August 5, 2038	PRC
17 . .	the Company	Negative pole piece and secondary battery	Invention	ZL201810989451.0	August 28, 2018	August 27, 2038	PRC
18 . .	the Company	Roll press device	Invention	ZL201811038675.X	September 6, 2018	September 5, 2038	PRC
19 . .	the Company	Battery module and confluence assembly thereof	Invention	ZL201811075009.3	September 14, 2018	September 13, 2038	PRC
20 . .	the Company	Battery module and converging member and converging assembly thereof	Invention	ZL201811074071.0	September 14, 2018	September 13, 2038	PRC
21 . .	the Company	Secondary battery	Invention	ZL201811088576.2	September 18, 2018	September 17, 2038	PRC
22 . .	the Company	Lithium ion secondary battery	Invention	ZL201811094862.X	September 19, 2018	September 18, 2038	PRC
23 . .	the Company	Non-aqueous electrolyte and lithium ion battery	Invention	ZL201811140346.6	September 28, 2018	September 27, 2038	PRC
24 . .	the Company	Positive electrode plate and lithium ion secondary battery	Invention	ZL201811136888.6	September 28, 2018	September 27, 2038	PRC
25 . .	the Company	Lithium ion battery	Invention	ZL201811159878.4	September 30, 2018	September 29, 2038	PRC
26 . .	the Company	Electrolyte and secondary battery	Invention	ZL201811206883.6	October 17, 2018	October 16, 2038	PRC
27 . .	the Company	Conveying roller and winding machine	Invention	ZL201811290089.4	October 31, 2018	October 30, 2038	PRC
28 . .	the Company	Battery Box	Invention	ZL201811294488.8	November 1, 2018	October 31, 2038	PRC
29 . .	the Company	Lower box and battery case	Invention	ZL201811294857.3	November 1, 2018	October 31, 2038	PRC
30 . .	the Company	Battery Pack	Invention	ZL201811300970.8	November 2, 2018	November 1, 2038	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
31 . .	the Company	Battery pack	Invention	ZL201811361300.7	November 15, 2018	November 14, 2038	PRC
32 . .	the Company	Electrode plate and electrochemical device	Invention	ZL201811644244.8	December 29, 2018	December 28, 2038	PRC
33 . .	the Company	Lithium supplement agent, positive pole piece, isolating membrane and lithium ion battery	Invention	ZL201811637420.5	December 29, 2018	December 28, 2038	PRC
34 . .	the Company	Battery module	Invention	ZL201910080691.3	January 28, 2019	January 27, 2039	PRC
35 . .	the Company	Battery pack thermal management system and thermal management system for electric vehicle	Invention	ZL201910152153.0	February 28, 2019	February 27, 2039	PRC
36 . .	the Company	Unwinding device and unwinding equipment	Invention	ZL201910185637.5	March 12, 2019	March 11, 2039	PRC
37 . .	the Company	Battery module and battery pack	Invention	ZL201910212474.5	March 20, 2019	March 19, 2039	PRC
38 . .	the Company	Positive pole piece and electrochemical device	Invention	ZL201910299937.6	April 15, 2019	April 14, 2039	PRC
39 . .	the Company	Drying and screening device and drying and screening equipment	Invention	ZL201910344571.X	April 26, 2019	April 25, 2039	PRC
40 . .	the Company	High temperature sintering equipment and method for negative electrode material	Invention	ZL201910346139.4	April 26, 2019	April 25, 2039	PRC
41 . .	the Company	Welding head and ultrasonic welding device	Invention	ZL201910423107.X	May 21, 2019	May 20, 2039	PRC
42 . .	the Company	Negative pole piece, battery cell and lithium ion battery	Invention	ZL201910471965.1	May 31, 2019	May 30, 2039	PRC
43 . .	the Company	Negative pole piece, battery cell and lithium ion battery	Invention	ZL201910471884.1	May 31, 2019	May 30, 2039	PRC
44 . .	the Company	Temperature control unit and battery pack	Invention	ZL201910528787.1	June 18, 2019	June 17, 2039	PRC
45 . .	the Company	Temperature control unit and battery pack	Invention	ZL201910528260.9	June 18, 2019	June 17, 2039	PRC
46 . .	the Company	Temperature control unit and battery pack	Invention	ZL201910528792.2	June 18, 2019	June 17, 2039	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
47 . .	the Company	Positive electrode material, preparation method therefor, and use thereof	Invention	ZL201910578163.0	June 28, 2019	June 27, 2039	PRC
48 . .	the Company	Positive electrode material, preparation method therefor, and use thereof	Invention	ZL201910585849.2	July 1, 2019	June 30, 2039	PRC
49 . .	the Company	Pole piece winding equipment	Invention	ZL201910636229.7	July 15, 2019	July 14, 2039	PRC
50 . .	the Company	Negative electrode active material and secondary battery	Invention	ZL201910688061.4	July 29, 2019	July 28, 2039	PRC
51 . .	the Company	Solid electrolyte membrane and solid lithium metal battery	Invention	ZL201910802273.0	August 28, 2019	August 27, 2039	PRC
52 . .	the Company	Positive electrode active material, positive electrode plate and lithium ion secondary battery	Invention	ZL201910845574.1	September 2, 2019	September 1, 2039	PRC
53 . .	the Company	Separator, process for preparing the same, lithium ion secondary battery, battery module, battery pack and apparatus	Invention	ZL201910874822.5	September 17, 2019	September 16, 2039	PRC
54 . .	the Company	Battery cell circulation clamp, equipment and method	Invention	ZL201910903193.4	September 24, 2019	September 23, 2039	PRC
55 . .	the Company	Tab dislocation adjusting method and device	Invention	ZL201910907531.1	September 24, 2019	September 23, 2039	PRC
56 . .	the Company	Electrode sheet forming device and electrode sheet forming method	Invention	ZL201910960331.2	October 10, 2019	October 9, 2039	PRC
57 . .	the Company	Electrode sheet forming device and electrode sheet forming method	Invention	ZL201910960346.9	October 10, 2019	October 9, 2039	PRC
58 . .	the Company	Battery pack and vehicle	Invention	ZL201910975573.9	October 15, 2019	October 14, 2043	PRC
59 . .	the Company	Electrolyte for lithium ion battery, battery module, battery pack and device	Invention	ZL201910996078.6	October 18, 2019	October 17, 2039	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
60 . .	the Company	Explosion-proof valve, battery pack, and apparatus	Invention	ZL202010128393.X	February 28, 2020	February 27, 2040	PRC
61 . .	the Company	Battery formation system	Invention	ZL202010513713.3	June 8, 2020	June 7, 2040	PRC
62 . .	the Company	Self-heating control method and device for power battery	Invention	ZL202010664362.6	July 10, 2020	July 9, 2040	PRC
63 . .	the Company	Battery pack, electric device, and method for manufacturing battery pack	Invention	ZL202010757351.2	July 31, 2020	July 30, 2040	PRC
64 . .	the Company	Valve, battery and electric equipment	Invention	ZL202010901519.2	August 31, 2020	August 30, 2040	PRC
65 . .	the Company	Mounting seat, battery and consumer	Invention	ZL202011367674.7	November 27, 2020	November 26, 2040	PRC
66 . .	the Company	Battery cell, battery, electric device, and method for manufacturing battery cell	Invention	ZL202011404806.9	December 2, 2020	December 1, 2040	PRC
67 . .	the Company	Microencapsulated transition metal ion capture agent and preparation method thereof	Invention	ZL202110099606.5	January 25, 2021	January 24, 2041	PRC
68 . .	the Company	Microencapsulated transition metal ion scavenger for water treatment and preparation method thereof	Invention	ZL202110099598.4	January 25, 2021	January 24, 2041	PRC
69 . .	the Company	Microencapsulated transition metal ion scavenger, preparation method and diaphragm	Invention	ZL202110099597.X	January 25, 2021	January 24, 2041	PRC
70 . .	the Company	Electrode assembly, preparation method thereof, battery cell, battery and power utilization device	Invention	ZL202110310578.7	March 23, 2021	March 22, 2041	PRC
71 . .	the Company	Adjustable winding needle and pole piece winding device	Invention	ZL202110410222.0	April 16, 2021	April 15, 2041	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
72 . .	the Company	Welding device and welding method	Invention	ZL202110876155.1	July 30, 2021	July 29, 2041	PRC
73 . .	the Company	Secondary battery, battery module, battery pack, and power consumption device	Invention	ZL202110877250.3	July 31, 2021	July 30, 2041	PRC
74 . .	the Company	Battery cell and battery, device, preparation method, and preparation device related thereto	Invention	ZL202110995033.4	August 27, 2021	August 26, 2041	PRC
75 . .	the Company	Coating quality test method and system	Invention	ZL202111015359.2	August 31, 2021	August 30, 2041	PRC
76 . .	the Company	Heating device and heating method	Invention	ZL202111017043.7	August 31, 2021	August 30, 2041	PRC
77 . .	the Company	Welding apparatus for battery belt	Invention	ZL202111060674.7	September 10, 2021	September 9, 2041	PRC
78 . .	the Company	Composite graphite material, preparation method thereof, negative electrode plate and secondary battery	Invention	ZL202111079771.0	September 15, 2021	September 14, 2041	PRC
79 . .	the Company	Rolling device and rolling method	Invention	ZL202111101095.2	September 18, 2021	September 17, 2041	PRC
80 . .	the Company	Electricity core formation anchor clamps and electricity core formation system	Invention	ZL202111126108.1	September 26, 2021	September 25, 2041	PRC
81 . .	the Company	Clamp, method for clamping battery, heating system and battery heating and cold pressing method	Invention	ZL202111138784.0	September 27, 2021	September 26, 2041	PRC
82 . .	the Company	Lithium ion battery, battery module, battery pack and electric apparatus	Invention	ZL202111159457.3	September 30, 2021	September 29, 2041	PRC
83 . .	the Company	Positive pole piece, secondary battery, battery module, battery pack and electric device	Invention	ZL202111159354.7	September 30, 2021	September 29, 2041	PRC
84 . .	the Company	Phase-change microcapsule, separator, electrode plate, battery, and electrical device	Invention	ZL202111189223.3	October 12, 2021	October 11, 2041	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
85 . .	the Company	Battery pack overturning device and method	Invention	ZL202111190580.1	October 13, 2021	October 12, 2041	PRC
86 . .	the Company	Air filling device, air tightness testing device, air filling method and air tightness testing method	Invention	ZL202111223022.0	October 20, 2021	October 21, 2041	PRC
87 . .	the Company	Battery box body, crimping device and manufacturing method of battery box body	Invention	ZL202111258460.0	October 27, 2021	October 26, 2041	PRC
88 . .	the Company	Isolation film, secondary battery, battery module, battery pack and electrical apparatus	Invention	ZL202111269648.5	October 29, 2021	October 28, 2041	PRC
89 . .	the Company	Battery cell, battery and power consumption device	Invention	ZL202210095200.4	January 26, 2022	January 25, 2042	PRC
90 . .	the Company	Positive electrode slurry, method for preparing positive electrode plate, secondary battery, battery module, battery pack and electric device	Invention	ZL202210178219.5	February 25, 2022	February 24, 2042	PRC
91 . .	the Company	Drain valve for battery box, battery, electric apparatus, and drainage method	Invention	ZL202210227264.5	March 8, 2022	March 7, 2042	PRC
92 . .	the Company	Battery box, battery and power consumption device	Invention	ZL202210285589.9	March 23, 2022	March 22, 2042	PRC
93 . .	the Company	Clamping device and battery manufacturing equipment	Invention	ZL202210501242.3	May 10, 2022	May 9, 2042	PRC
94 . .	the Company	Battery and electricity utilization device	Invention	ZL202210708033.6	June 22, 2022	June 21, 2042	PRC
95 . .	the Company, CATL-JS	End cover assembly, battery cell, battery, and power utilization device	Invention	ZL202210929978.0	August 4, 2022	August 3, 2042	PRC
96 . .	the Company, CATL-JS	Adapter member, battery cell, battery, and power utilization device	Invention	ZL202210935449.1	August 5, 2022	August 4, 2042	PRC
97 . .	the Company	Battery cell and battery and electrical device incorporating the same	Invention	ZL202211289783.0	October 20, 2022	October 19, 2042	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
98 .	the Company	Pole piece, electric core, battery and electric equipment	Invention	ZL202211371202.8	November 3, 2022	November 2, 2042	PRC
99 .	the Company	Pole piece, electric core, battery and electric equipment	Invention	ZL202211370336.8	November 3, 2022	November 2, 2042	PRC
100 .	the Company	Electrolyte, sodium ion battery and electricity utilization device	Invention	ZL202310289538.8	March 23, 2023	March 22, 2043	PRC
101 .	the Company	Battery cell, battery and power consumption device	Invention	ZL202310363528.4	April 7, 2023	April 6, 2043	PRC
102 .	the Company	Box, battery and electric equipment	Invention	ZL202310487798.6	May 4, 2023	May 3, 2043	PRC
103 .	the Company	Positive pole piece, battery and electric equipment	Invention	ZL202310507530.4	May 8, 2023	May 7, 2043	PRC
104 .	the Company	Positive pole piece, battery and electric equipment	Invention	ZL202310514842.8	May 9, 2023	May 8, 2043	PRC
105 .	the Company	Positioning jig and transportation system	Invention	ZL202310520471.4	May 10, 2023	May 9, 2043	PRC
106 .	the Company	Energy storage device and control method thereof	Invention	ZL202310573797.3	May 22, 2023	May 21, 2043	PRC
107 .	the Company	Electrode assembly, secondary battery, and electricity using device	Invention	ZL202310597446.6	May 25, 2023	May 24, 2043	PRC
108 .	the Company	Composite conductive agent, negative electrode composition containing same, negative electrode plate, battery and electric device	Invention	ZL202310611703.7	May 26, 2023	May 25, 2043	PRC
109 .	the Company	Secondary battery, preparation method thereof and power utilization device	Invention	ZL202310639708.0	June 1, 2023	May 31, 2043	PRC
110 .	the Company	Positive pole piece, battery and electric equipment	Invention	ZL202310668403.2	June 7, 2023	June 6, 2043	PRC
111 .	the Company	Cleaning device, impurity removal system and cleaning method	Invention	ZL202310789225.9	June 30, 2023	June 29, 2043	PRC
112 .	the Company	Image processing method, apparatus, device, storage medium, and program product	Invention	ZL202310820447.2	July 6, 2023	July 5, 2043	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
113	the Company	Battery torsion detection method, related device, battery, equipment and storage medium	Invention	ZL202310830675.8	July 7, 2023	July 6, 2043	PRC
114	the Company	Winding system and winding method thereof	Invention	ZL202310841090.6	July 11, 2023	July 10, 2043	PRC
115	the Company	Electrode, preparation method thereof, battery and battery application	Invention	ZL202310864130.9	July 14, 2023	July 13, 2043	PRC
116	the Company	Polymer, preparation method, dispersing agent, positive electrode slurry, positive electrode plate, secondary battery and electricity utilization device	Invention	ZL202310864117.3	July 14, 2023	July 13, 2043	PRC
117	the Company	Polymer, preparation method, dispersing agent, positive electrode slurry, positive electrode plate, secondary battery and electricity utilization device	Invention	ZL202310864261.7	July 14, 2023	July 13, 2043	PRC
118	the Company	Image processing method, apparatus, device, storage medium, and program product	Invention	ZL202310877081.2	July 18, 2023	July 17, 2043	PRC
119	the Company	Sensor, manufacturing method, battery cell, battery and electricity utilization device	Invention	ZL202310888754.4	July 19, 2023	July 18, 2043	PRC
120	the Company	Liquid discharge valve of battery, battery and electricity utilization device	Invention	ZL202310891183.X	July 20, 2023	July 19, 2043	PRC
121	the Company	Pole piece, preparation method thereof, battery monomer, battery and electricity utilization device	Invention	ZL202310904929.6	July 24, 2023	July 23, 2043	PRC
122	the Company	Electrode assembly, battery and electric equipment	Invention	ZL202310919314.0	July 26, 2023	July 25, 2043	PRC

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
123	the Company	Negative electrode plate, preparation method thereof, secondary battery and power utilization device	Invention	ZL202310931325.0	July 27, 2023	July 26, 2043	PRC
124	the Company	Surface coating layer binding force detection system, device and method and coating equipment	Invention	ZL202311017645.1	August 14, 2023	August 13, 2043	PRC
125	the Company	Epoxy resin powder coating material, battery case, secondary battery, and electric device	Invention	ZL202311052305.2	August 21, 2023	August 20, 2043	PRC
126	the Company	Battery, power utilization device and gas detection method of battery	Invention	ZL202311070144.X	August 24, 2023	August 23, 2043	PRC
127	the Company	Battery and electricity utilization device	Invention	ZL202311075799.6	August 25, 2023	August 24, 2043	PRC
128	the Company	Gas sensor, battery cell, battery and gas concentration detection method	Invention	ZL202311080571.6	August 25, 2023	August 24, 2043	PRC
129	the Company	Gas sensor, battery, power consumption device, and gas concentration detection method	Invention	ZL202311080575.4	August 25, 2023	August 24, 2043	PRC
130	the Company	Battery and electricity utilization device	Invention	ZL202311084898.0	August 28, 2023	August 27, 2043	PRC
131	the Company	Energy storage device and gas concentration detection method thereof	Invention	ZL202311093473.6	August 29, 2023	August 28, 2043	PRC
132	the Company	Cathode plate detection system and method	Invention	ZL202311157576.4	September 8, 2023	September 7, 2043	PRC
133	the Company	Pole piece folding control method and device, pole piece folding device and battery production system	Invention	ZL202311168982.0	September 12, 2023	September 11, 2043	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
134	the Company	Pole piece folding control method and device, pole piece folding device and battery production system	Invention	ZL202311168985.4	September 12, 2023	September 11, 2043	PRC
135	the Company	Bonding assembly, battery, and electrical device	Invention	ZL202311182630.0	September 14, 2023	September 13, 2043	PRC
136	the Company	Separator, preparation method thereof, battery and power utilization device	Invention	ZL202311183984.7	September 14, 2023	September 13, 2043	PRC
137	the Company	Negative current collector, preparation method thereof, negative electrode plate, lithium metal battery and power utilization device	Invention	ZL202311196336.5	September 18, 2023	September 17, 2043	PRC
138	the Company	Support transfer device, support method and battery production system	Invention	ZL202311219355.5	September 21, 2023	September 20, 2043	PRC
139	the Company	Winding needle assembly, winding device and winding method	Invention	ZL202311229325.2	September 22, 2023	September 21, 2043	PRC
140	the Company	Perovskite thin film, perovskite precursor liquid, perovskite battery and electricity utilization device	Invention	ZL202311304817.3	October 10, 2023	October 9, 2043	PRC
141	the Company	Electrode plate, secondary battery, electricity utilization device, preparation method and recycling method	Invention	ZL202311318161.0	October 12, 2023	October 11, 2043	PRC
142	the Company	Glue spreading detection method and pole piece glue spreading system	Invention	ZL202311331418.6	October 16, 2023	October 15, 2043	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
143	the Company	Positive electrode active material, preparation method thereof, positive electrode plate, secondary battery and power utilization device	Invention	ZL202311331958.4	October 16, 2023	October 15, 2043	PRC
144	the Company	Polymer, preparation method thereof and secondary battery containing same	Invention	ZL202311349955.3	October 18, 2023	October 17, 2043	PRC
145	the Company	Pressurizing device, system and method for replacing pressing block for battery module	Invention	ZL202311350713.6	October 18, 2023	October 17, 2043	PRC
146	the Company	Positive electrode active material, preparation method thereof, positive electrode plate, battery and electricity utilization device	Invention	ZL202311380418.5	October 24, 2023	October 23, 2043	PRC
147	the Company	Heat exchange device, box, battery and power utilization device	Invention	ZL202311389712.2	October 25, 2023	October 24, 2043	PRC
148	the Company	Lithium supplementing agent, preparation method thereof, positive electrode plate, battery and power utilization device	Invention	ZL202311392258.6	October 25, 2023	October 24, 2043	PRC
149	the Company	Polymer, primer paste, composite current collector, secondary battery and electricity utilization device	Invention	ZL202311392134.8	October 25, 2023	October 24, 2043	PRC
150	the Company	Battery and electricity utilization device	Invention	ZL202311419343.7	October 30, 2023	October 29, 2043	PRC
151	the Company	Battery and electricity utilization device	Invention	ZL202311419402.0	October 30, 2023	October 29, 2043	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
152	the Company	Adhesive and preparation method thereof, negative electrode plate, battery and power utilization device	Invention	ZL202311423953.4	October 31, 2023	October 30, 2043	PRC
153	the Company	Negative electrode plate, preparation method thereof, battery and electricity utilization device	Invention	ZL202311466654.9	November 7, 2023	November 6, 2043	PRC
154	the Company	Battery monomer, preparation method thereof, battery and power utilization device	Invention	ZL202311480350.8	November 8, 2023	November 7, 2043	PRC
155	the Company	Pole piece detection method and system	Invention	ZL202311484017.4	November 9, 2023	November 8, 2043	PRC
156	the Company	Lithium supplementing additive, positive pole piece, battery and electricity utilization device	Invention	ZL202311504784.7	November 13, 2023	November 12, 2043	PRC
157	the Company	Pole piece, secondary battery and electricity utilization device	Invention	ZL202311633510.8	December 1, 2023	November 30, 2043	PRC
158	the Company	Polymer of polymer alkali metal salt and application thereof in preparation of secondary battery	Invention	ZL202311633671.7	December 1, 2023	November 30, 2043	PRC
159	the Company	Secondary battery and electricity utilization device	Invention	ZL202311633137.6	December 1, 2023	November 30, 2043	PRC
160	the Company	Paper tearing device, paper tearing method, rubberizing equipment and rubberizing method	Invention	ZL202410051829.8	January 15, 2024	January 14, 2044	PRC
161	the Company	Rubberizing device, rubberizing method and battery production line	Invention	ZL202410090142.5	January 23, 2024	January 22, 2044	PRC
162	the Company	Evaluation method for effective replenishment level of active ions of secondary ion battery	Invention	ZL202410142206.1	February 1, 2024	January 31, 2044	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
163	the Company	Welding method and welding system for pole	Invention	ZL202410143662.8	February 1, 2024	January 31, 2044	PRC
164	the Company	Method and apparatus for controlling battery	Invention	ZL202410150478.6	February 2, 2024	February 1, 2044	PRC
165	the Company	Battery liquid injection system and battery liquid injection method	Invention	ZL202410156119.1	February 4, 2024	February 3, 2044	PRC
166	the Company	Welding quality detection system and method	Invention	ZL202410161178.8	February 5, 2024	February 4, 2044	PRC
167	the Company	Battery and electrical device incorporating the same	Invention	ZL202410172611.8	February 6, 2024	February 5, 2044	PRC
168	the Company	Heat exchange component, battery, and electrical equipment	Invention	ZL202410171636.6	February 6, 2024	February 5, 2044	PRC
169	the Company	Storage device, battery assembly system, control method and battery production system	Invention	ZL202410179109.X	February 18, 2024	February 17, 2044	PRC
170	the Company	Tab detection system and tab detection method	Invention	ZL202410200679.2	February 23, 2024	February 22, 2044	PRC
171	the Company	Data processing system and method	Invention	ZL202410211570.9	February 27, 2024	February 26, 2044	PRC
172	the Company	Material conveying line, material conveying method and pallet material conveying control method	Invention	ZL202410233414.2	March 1, 2024	February 29, 2044	PRC
173	the Company	Detection system and detection method for pole piece	Invention	ZL202410252548.9	March 6, 2024	March 5, 2044	PRC
174	the Company	Battery production system	Invention	ZL202410347859.3	March 26, 2024	March 25, 2044	PRC
175	the Company	Processing device, battery production equipment and processing method of cylindrical battery monomer	Invention	ZL202410349028.X	March 26, 2024	March 25, 2044	PRC
176	the Company	Battery cell pairing system, battery production system and battery cell pairing method	Invention	ZL202410397475.2	April 3, 2024	April 2, 2044	PRC
177	the Company	Fluid injection system and fluid	Invention	ZL202410452923.4	April 16, 2024	April 15, 2044	PRC
178	the Company	Angle iron installation equipment and angle iron installation method	Invention	ZL202410525332.5	April 29, 2024	April 28, 2044	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
179	the Company	Battery panning device, production line, and battery panning method	Invention	ZL202410765534.7	June 14, 2024	June 13, 2044	PRC
180	the Company, Shenzhen Times Future Energy Technology Co., Ltd.	Energy storage device and method for temperation	Invention	ZL202410970505.4	July 19, 2024	July 18, 2044	PRC
181	CATL-JS	Battery cell production equipment and battery cell manufacturing method	Invention	ZL202010685748.5	July 16, 2020	July 15, 2040	PRC
182	CATL-JS	Air tightness detection device and method thereof	Invention	ZL202011095453.9	October 14, 2020	October 13, 2040	PRC
183	CATL-JS	Box, battery and device	Invention	ZL202011120254.9	October 19, 2020	October 18, 2040	PRC
184	CATL-JS	End cover assembly, battery cell, exhaust method, battery and power utilization device	Invention	ZL202011276284.9	November 16, 2020	November 15, 2040	PRC
185	CATL-JS	Battery equalization method and apparatus, and battery management system	Invention	ZL202011539345.6	December 23, 2020	December 22, 2040	PRC
186	CATL-JS	Battery cell, method for manufacturing same, battery, and power utilization device	Invention	ZL202011600657.3	December 30, 2020	December 29, 2040	PRC
187	CATL-JS	Battery cell, manufacturing method and manufacturing system thereof, battery and power utilization device	Invention	ZL202110408588.4	April 16, 2021	April 15, 2041	PRC
188	CATL-JS	Battery gas tightness test fixture and gas tightness test system	Invention	ZL202110566868.8	May 24, 2021	May 23, 2041	PRC
189	CATL-JS	Welding equipment and welding process	Invention	ZL202110660570.3	June 15, 2021	June 14, 2041	PRC
190	CATL-JS	Box assembly, battery, power utilization equipment and manufacturing method and device of box assembly	Invention	ZL202110742242.8	July 1, 2021	June 30, 2041	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
191	CATL-JS	Electrode assembly, battery cell, battery and power utilization equipment	Invention	ZL202110791258.8	July 13, 2021	July 12, 2041	PRC
192	CATL-JS	Winding needle, battery cell manufacturing equipment and battery cell manufacturing method	Invention	ZL202110803567.2	July 16, 2021	July 15, 2041	PRC
193	CATL-JS	Battery cell, battery, power utilization device, and method and apparatus for manufacturing battery cell	Invention	ZL202111437751.6	November 30, 2021	November 29, 2041	PRC
194	CATL-JS	Battery shell flatness adjustment method and device, and battery manufacturing system	Invention	ZL202210764580.6	July 1, 2022	June 30, 2042	PRC
195	CATL-JS	Battery module, battery, and power utilization device	Invention	ZL202211107305.3	September 13, 2022	September 12, 2042	PRC
196	Guangdong Brunp, Hunan Brunp	Method for recovering and preparing lithium cobaltate from waste lithium ionic cell	Invention	ZL200810028730.7	June 12, 2008	June 11, 2028	PRC
197	Hunan Brunp	Treatment method of nickel-cobalt-manganese wastewater generated in waste and old battery treatment process	Invention	ZL200910044152.0	August 18, 2009	August 17, 2029	PRC
198	Hunan Brunp	Method for recovering and restoring anode material graphite of waste lithium ion battery	Invention	ZL200910226670.4	December 18, 2009	December 17, 2029	PRC
199	Hunan Brunp	Method for separating impurities from cobalt and/or nickel solution by non-saponifiable extraction	Invention	ZL201010605139.0	December 24, 2010	December 23, 2030	PRC
200	Guangdong Brunp, Hunan Brunp	Recovery method of lithium in waste battery	Invention	ZL201010605151.1	December 24, 2010	December 23, 2030	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
201	Guangdong Brunp, Hunan Brunp	Method for recovering lithium and iron from lithium iron phosphate power battery for electromobile	Invention	ZL201110147698.6	June 3, 2011	June 2, 2031	PRC
202	Guangdong Brunp, Hunan Brunp	Method for recovering lithium from lithium power battery of electric automobile	Invention	ZL201110147696.7	June 3, 2011	June 2, 2031	PRC
203	Guangdong Brunp, Hunan Brunp	Method for treating ammonia nitrogen wastewater	Invention	ZL201110234027.3	August 16, 2011	August 15, 2031	PRC
204	Guangdong Brunp, Hunan Brunp	Device and method for treating ammonia nitrogen wastewater by using dioxygen biological filler	Invention	ZL201110300853.3	September 29, 2011	September 28, 2031	PRC
205	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling, Ningde Brunp Recycling Technology Co., Ltd.	Method for recovering power cells for NEVs	Invention	ZL201110297933.8	October 8, 2011	October 7, 2031	PRC
206	Guangdong Brunp, Hunan Brunp	Preparation method for metallic oxide cladde anode material of lithium ion battery	Invention	ZL201110250157.6	October 21, 2011	October 20, 2031	PRC
207	Guangdong Brunp, Hunan Brunp	Chemical separating method for aluminum foil in waste lithium ion battery positive plate	Invention	ZL201110357947.4	November 14, 2011	November 13, 2031	PRC
208	Guangdong Brunp, Hunan Brunp	Apparatus for treating iron-containing acid waste water generated from power battery disassembly, and method thereof	Invention	ZL201110425718.1	December 15, 2011	December 14, 2031	PRC
209	Hunan Brunp	Method for recovering valuable metals from spent lithium-ion batteries	Invention	ZL201210004806.9	January 9, 2012	January 8, 2032	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
210	Guangdong Brunp, Hunan Brunp	Method for modifying rich lithium cobalt lithium manganite cathode material of lithium ion battery	Invention	ZL201210032537.7	February 14, 2012	February 13, 2032	PRC
211	Guangdong Brunp, Hunan Brunp	Device for treating and reusing wastewater produced during scraped car dismantling process	Invention	ZL201210074666.2	March 20, 2012	March 19, 2032	PRC
212	Guangdong Brunp, Hunan Brunp	Oxygen-deficient incineration device for treating discarded power battery residue	Invention	ZL201210211852.6	June 25, 2012	June 24, 2032	PRC
213	Guangdong Brunp, Hunan Brunp	Method for preparing nickel-cobalt lithium manganate by waste and old power batteries in directional circulation	Invention	ZL201210421198.1	October 29, 2012	October 28, 2032	PRC
214	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling, Ningde Brunp Recycling Technology Co., Ltd.	Method for preparing nickel-cobalt-manganese hydroxide	Invention	ZL201310076317.9	March 11, 2013	March 10, 2033	PRC
215	Hunan Brunp, Guangdong Brunp	Separation method for current collectors and active materials in lithium ion battery positive and negative pole pieces	Invention	ZL201310201111.4	May 27, 2013	May 26, 2033	PRC
216	Hunan Brunp, Guangdong Brunp	Method for recovering valuable metals from spent lithium-ion batteries	Invention	ZL201410032008.6	January 23, 2014	January 22, 2034	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
217	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling, Ningde Brunp Recycling Technology Co., Ltd.	A kind of preparation method of power type nickel-cobalt lithium manganate cathode material	Invention	ZL201410076330.9	March 4, 2014	March 3, 2034	PRC
218	Hunan Brunp, Guangdong Brunp	Method for preparing battery-grade lithium carbonate from recycled lithium ion battery material	Invention	ZL201410443005.1	September 2, 2014	September 1, 2034	PRC
219	Hunan Brunp Automobile Recycling, Guangdong Brunp, Hunan Brunp	Whole-vehicle on-line system for recycling and disassembling power battery of electric vehicle trunk	Invention	ZL201510091147.0	February 28, 2015	February 27, 2035	PRC
220	Hunan Brunp, Guangdong Brunp	Method for recycling lithium from waste lithium ion battery	Invention	ZL201510108230.4	March 12, 2015	March 11, 2035	PRC
221	Hunan Brunp Automobile Recycling, Guangdong Brunp, Hunan Brunp	Wing type container for layered transportation of scrapped electric automobile power batteries	Invention	ZL201510208687.2	April 28, 2015	April 27, 2035	PRC
222	Hunan Brunp, Guangdong Brunp	Comprehensive recovery method of lithium iron phosphate waste	Invention	ZL201810460794.8	May 15, 2018	May 14, 2038	PRC
223	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling	A kind of preparation method of high density power type nickel-cobalt lithium manganate cathode material	Invention	ZL201810505256.6	May 24, 2018	May 23, 2038	PRC
224	Guangdong Brunp, Hunan Brunp	Preparation method of nickel-cobalt lithium manganate for coated power battery	Invention	ZL201810521420.2	May 28, 2018	May 27, 2038	PRC
225	Guangdong Brunp, Hunan Brunp	A kind of preparation method of power battery nickel-cobalt lithium manganate material	Invention	ZL201811065579.4	September 13, 2018	September 12, 2038	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
226	Guangdong Brunp, Hunan Brunp	Preparation method and application of nickel 55 type nickel cobalt lithium manganate material	Invention	ZL201811356940.9	November 15, 2018	November 14, 2038	PRC
227	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling	Method for purifying, repairing and regenerating graphite in retired power battery	Invention	ZL202010042366.0	January 15, 2020	January 14, 2040	PRC
228	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling	Graphite purification and lattice reconstruction method in power battery	Invention	ZL202010485582.2	June 1, 2020	May 31, 2040	PRC
229	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling	Anaerobic cracking method of power battery	Invention	ZL202010518461.3	June 9, 2020	June 8, 2040	PRC
230	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling	Automated fine and deep separating method for power batteries, and device	Invention	ZL202010802939.5	August 11, 2020	August 10, 2040	PRC
231	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling	Vacuum cracking equipment and cracking method for power battery	Invention	ZL202010858434.0	August 24, 2020	August 23, 2040	PRC
232	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling	Vacuum cracking method and cracking apparatus for traction battery	Invention	ZL202010857403.3	August 24, 2020	August 23, 2040	PRC
233	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling	Method for preparing nickel cobalt lithium manganate through reverse positioning of power battery and application	Invention	ZL202011535963.3	December 23, 2020	December 22, 2040	PRC
234	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling	Method for safely recycling waste pole pieces of lithium ion battery and application thereof	Invention	ZL202110295469.2	March 19, 2021	March 18, 2041	PRC

No.	Registered owner	Patent	Type of patent	Registration number	Application date	Expiry date	Place of registration
235	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling	High-performance lithium nickel cobalt manganese oxide positive electrode material for power battery and preparation method of high- performance lithium nickel cobalt manganese oxide positive electrode material	Invention	ZL202110885776.6	August 3, 2021	August 2, 2041	PRC
236	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling	Method for recycling lithium-ion battery positive electrode material	Invention	ZL202110944649.9	August 17, 2021	August 16, 2041	PRC
237	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling	Method for wet recovery of valuable metals in lithium-ion battery	Invention	ZL202110943314.5	August 17, 2021	August 16, 2041	PRC
238	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling	Method for extracting lithium from waste lithium-ion batteries	Invention	ZL202111036546.9	September 6, 2021	September 5, 2041	PRC
239	Guangdong Brunp, Hunan Brunp, Hunan Brunp Automobile Recycling	Method for separating and recovering valuable metals from waste ternary lithium-ion batteries	Invention	ZL202111159214.X	September 30, 2021	September 29, 2041	PRC

*(c) Copyrights**Software Copyrights*

As of December 31, 2024, we had registered the following software copyrights which we consider to be or may be material to our business:

No.	Registered owner	Software	Place of registration	Registration number
1 . .	the Company	Lithium ion battery performance prediction platform V1.0	PRC	2023SR1569420
2 . .	the Company	Lithium ion battery lifespan prediction platform V1.0	PRC	2023SR0321756
3 . .	the Company	Electrode strip winding tension control analysis software in pre-cell process V2.0	PRC	2023SR1538186
4 . .	the Company	Battery cell R&D data convergence analysis system V1.0	PRC	2023SR1649045
5 . .	the Company	Battery cells intelligent design system V1.0	PRC	2023SR0414507
6 . .	the Company	First piece data automatic upload software V1.0	PRC	2024SR0426225
7 . .	the Company	Taishan-equipment maintenance management system V2.0	PRC	2024SR0212843
8 . .	the Company	Test equipment monitoring and management system V1.0	PRC	2024SR0205379
9 . .	the Company	Offline instrument data acquisition system V1.00	PRC	2023SR0096614
10 .	the Company	Electrolyte error-proof system V2.0	PRC	2022SR1596549
11 .	the Company	Lifespan modeling and calculation software for in-vehicle BMS and energy storage power electronic products V1.0	PRC	2023SR1092252
12 .	the Company	Unmanned testing system V1.0	PRC	2023SR0834460
13 .	the Company	Cell CT Image overhang automatic measurement system V1.0	PRC	2023SR0523995

No.	Registered owner	Software	Place of registration	Registration number
14 .	the Company	Cell CT image processing software V1.0	PRC	2023SR0523996
15 .	the Company	Cell Xray image processing system V1.0	PRC	2023SR0523997
16 .	the Company	Anode mixing center control system V1.0	PRC	2022SR0913350
17 .	the Company	AI-assisted winding defect detection system V10.0	PRC	2020SR0921603
18 .	the Company	Global traceability system V1.0	PRC	2020SR0907790
19 .	the Company	Closed-loop system for injection consistency V2.0	PRC	2024SR2237148
20 .	the Company	CV data analysis report query system of fault analysis application center V1.0	PRC	2024SR1995424
21 .	the Company	Energy-storage component model management system V1.0	PRC	2024SR1567507
22 .	the Company	Defective standard management system V1.0	PRC	2024SR1571671
23 .	the Company	Process cell lifespan risk calculation system V1.0	PRC	2024SR1860963

(d) Domain Name

As of December 31, 2024, we had registered the following domain name which we consider to be or may be material to our business:

No.	Domain name
1. . .	www.catl.com

3. FURTHER INFORMATION ABOUT DIRECTORS, SUPERVISORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS OF OUR COMPANY

A. Disclosure of Interests of Directors, Supervisors and Chief Executive

To the best knowledge of our Directors, saved as disclosed below, immediately following the completion of the Global Offering (assuming (i) the Offer Size Adjustment Option and the Over-allotment Option are not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing), none of our Directors, Supervisors or chief executive has any interests or short positions in the Shares, underlying Shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules (for this purpose, the relevant provisions of the SFO will be interpreted as if they apply to the Supervisors).

(i) *Interests in Shares of our Company*

Name	Position	Nature of interest	Number and description of Shares	Approximate % of the issued Shares immediately after the Global Offering ⁽¹⁾
Mr. Zeng Yuqun .	Chairman of the Board, executive Director and general manager	Interest in a controlled corporation ⁽²⁾	1,024,704,949 A Shares	22.66%
Mr. Pan Jian. . . .	Co-chairman of the Board and executive Director	Interest in a controlled corporation ⁽³⁾	24,572,400 A Shares	0.54%
Mr. Li Ping	Vice chairman of the Board and executive Director	Beneficial owner	201,510,277 A Shares	4.46%
Mr. Zhou Jia	Vice chairman of the Board and executive Director	Beneficial owner ⁽⁴⁾	379,403 A Shares	0.01%
Mr. Zhao Fenggang	Executive Director	Beneficial owner ⁽⁵⁾	327,149 A Shares	0.01%
Mr. Wu Yingming	Chairman of the board of Supervisors	Interest in a controlled corporation ⁽⁶⁾	24,572,400 A Shares	0.54%

Notes:

- (1) Assuming (i) the Offer Size Adjustment Option and the Over-allotment Option are not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing.
- (2) For details of the interest held by Mr. Zeng Yuqun, see “Substantial Shareholders.”
- (3) As of the Latest Practicable Date, (i) Jiaying Zeyu Runfeng Investment Partnership (Limited Partnership) (“**Zeyu Runfeng**”) held 24,572,400 A Shares of our Company, (ii) Jiaying Chunhe Ruize Venture Capital Partnership (Limited Partnership) (“**Chunhe Ruize**”) held approximately 97.76% of the partnership interests of Zeyu Runfeng, and (iii) Mr. Pan Jian held approximately 82.89% of the partnership interests of Chunhe Ruize. Therefore, Mr. Pan Jian is deemed to be interested in the Shares held by Zeyu Runfeng under the SFO.
- (4) Mr. Zhou Jia is entitled to subscribe for 379,403 A Shares pursuant to the stock options granted to him under the 2022 Share Incentive Plan, subject to the conditions thereof.
- (5) Mr. Zhao Fenggang is entitled to subscribe for (i) 85,963 A Shares pursuant to the stock options granted to him under the 2022 Share Incentive Plan, (ii) 32,834 A Shares pursuant to the restricted stocks granted to him under the 2022 Share Incentive Plan, and (iii) 208,352 A Shares pursuant to the restricted stocks granted to him under the 2023 Share Incentive Plan, subject to the conditions thereof.
- (6) As of the Latest Practicable Date, (i) Zeyu Runfeng held 24,572,400 A Shares of our Company, (ii) Ningbo Meishan Bonded Port Beidao Investment Management Co., Ltd. (“**Beidao Investment**”) was the general partner of Zeyu Runfeng, and (iii) Beidao Investment was wholly owned by Mr. Wu Yingming. Therefore, Mr. Wu Yingming is deemed to be interested in the Shares held by Zeyu Runfeng under the SFO.

(ii) Interests in Our Associated Corporations

Name	Position	Members of our Group	Nature of interests	Approximate % of shareholding
Mr. Zeng Yuqun	Chairman of the Board, executive Director and general manager	Ningbo Contemporary Brunp Lygend Co., Ltd.	Interest in a controlled corporation ⁽¹⁾	12.57%
Mr. Li Ping	Vice chairman of the Board and executive Director	Suzhou Contemporary Synland Technology Co., Ltd.	Interest in a controlled corporation ⁽²⁾	10.00%

Notes:

- (1) As of the Latest Practicable Date, Mr. Zeng Yuqun owned 55% of the equity interests in Xiamen Ruiting and Ruihua Investment, which is wholly owned by Mr. Zeng Yuqun, owned 45% of the equity interests in Xiamen Ruiting. Ningbo Contemporary Brunp Lygend Co., Ltd. was owned as to 12.57% by Xiamen Ruiting. Therefore, Mr. Zeng Yuqun is deemed to be interested in the Shares of Ningbo Contemporary Brunp Lygend Co., Ltd. held by Xiamen Ruiting under the SFO.

- (2) As of the Latest Practicable Date, (i) Mr. Li Ping owned 90% of the equity interests in Shanghai Shida Investment Management Co., Ltd. (“**Shanghai Shida**”), and (ii) Shanghai Shida owned 10% of the equity interests in Suzhou Contemporary Synland Technology Co., Ltd. Therefore, Mr. Li Ping is deemed to be interested in the Shares of Suzhou Contemporary Synland Technology Co., Ltd. held by Shanghai Shida under the SFO.

B. Particulars of Service Contract

Our Company has entered into a service agreement or appointment letter with each of the Directors and Supervisors. The principal particulars of these service agreements and appointment letters are: (a) each of the agreement or letter is for a term of three years following the commencement date of his/her term of office; and (b) each of the agreement or letter is subject to termination in accordance with their respective terms. The service agreements and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, our Directors or Supervisors has not entered into or propose to enter into any service contracts with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

C. Directors’ and Supervisors’ remuneration

Under the current arrangements in effect, we estimate the total accrued pre-tax remuneration in kind of our Directors and Supervisors for the year ending December 31, 2025 will be approximately RMB51 million. The actual remuneration of our Directors and Supervisors in 2025 may differ from the expected remuneration.

For details of the Directors’ and Supervisors’ remuneration, see “Directors, Supervisors and Senior Management — Remuneration of Directors, Supervisors and Five Highest Paid Individuals” and Note 9 to the Accountants’ Report as set out in Appendix I to this prospectus.

D. Interests of Substantial Shareholders in Shares of Our Company and/or Our Major Subsidiaries

(i) Interests in Our Company

Save as disclosed in “Substantial Shareholders,” our Directors were not aware of any persons who would, immediately following the completion of the Global Offering (assuming (i) the Offer Size Adjustment Option and the Over-allotment Option are not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing), having interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at Shareholders’ general meetings of our Company.

(ii) Interests in Our Major Subsidiaries

Our Company has applied to the Stock Exchange for, and the Stock Exchange has granted us a waiver from strict compliance with paragraph 45(2) of Part A of Appendix D1A to the Listing Rules in relation to the disclosure of each person (apart from the Directors or chief executive of our Company) who is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such securities. For details, see "Waivers and Exemptions — Particulars of Information of Our Subsidiaries."

As of the Latest Practicable Date, to the best knowledge of our Directors, the following persons (other than members of our Group, the Directors or chief executive of our Company) were interested in 10% or more of the voting rights at general meetings of our Major Subsidiaries:

<u>Name of Major Subsidiary</u>	<u>Name of substantial shareholder</u>	<u>Approximate % of voting rights held by substantial shareholder</u>
UABC	SAIC Motor Investment Management Co., Ltd. (上海 汽車集團投資管理有限公司)	49.0%
CATL-SC	Luoyang Guohong Investment Holding Group Co., Ltd. (洛陽國宏投資控股集團有限 公司)	20.8%

E. Disclaimers

- (i) Save as disclosed in this Appendix, none of the Directors, Supervisors of our Company or any of the parties listed in "— 5. Other Information — G. Consents of Experts" in this Appendix:
- (A) is interested in our promotion, or in any assets which, within the two years immediately preceding the date of this prospectus, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company; or
- (B) is materially interested in any contract or arrangement subsisting at the date of this prospectus that is significant in relation to our Company's business; and

- (ii) none of the Directors or Supervisors of our Company or their close associates or any Shareholders who, to the knowledge of our Directors, own more than 5% of our issued share capital, have any interest in the top five customers or suppliers of our Company.

4. SHARE INCENTIVE PLANS

The following is a summary of the key terms of the Share Incentive Plans currently being implemented by our Company, including the 2021 Share Incentive Plan, the 2022 Share Incentive Plan and the 2023 Share Incentive Plan. The terms of Share Incentive Plans do not involve any grant of Share Incentives by our Company after the Listing and are not subject to the provisions of Chapter 17 of the Listing Rules. The terms of the Share Incentive Plans are summarized below.

A. Purposes

The purposes of the Share Incentive Plans are to further establish and improve our long-term incentive mechanism, attract and retain outstanding talents, and fully motivate their enthusiasm and innovation to enhance cohesion and core competitiveness of our Company. The Share Incentive Plans are implemented to align the interests of our Shareholders, our Company and our core team members, which is beneficial to the sustainable development of our Group and ensures the realization of our development strategy and business objectives.

B. Type of Share Incentives

The Share Incentives are granted in two forms: (i) restricted stocks and (ii) stock options. Under the 2021 Share Incentive Plan and the 2022 Share Incentive Plan, we may grant both restricted stocks and stock options to eligible participants. Under the 2023 Share Incentive Plan, we may grant restricted stocks to eligible participants only.

The major difference between restricted stock and the stock options is that (i) the initial grant price of the restricted stock is the higher of 50% of the average trading price of the A Shares over the following periods prior to the announcement of the draft Share Incentive Plans: (A) one trading day or (B) 60 or 120 trading days; while (ii) the initial exercise price of the stock option is the higher of the average trading price of the A Shares over the following periods prior to the announcement of the draft Share Incentive Plans: (A) one trading day or (B) 60 or 120 trading days.

The A Shares underlying the restricted stocks or the stock options under the Share Incentive Plans can only be issued after the vesting or exercise thereof.

C. Administration

Each of the Share Incentive Plans is subject to the approval of our Company's general meeting, administration of the Board and the supervision of the Board of Supervisors and independent non-executive Directors.

D. Participants

Participants under the Share Incentive Plans include (as the case may be), (i) middle-level management personnels, (ii) core employees, and (iii) the Directors and senior management members of our Company, but do not include (i) independent non-executive Directors, (ii) Supervisors, and (iii) Shareholders who, individually or in aggregate, holding 5% or more of the Shares of our Company, or actual controller(s) and their respective spouse, parents and children.

E. Source and Maximum Number of Shares

The underlying Shares for the Share Incentives are new A Shares to be issued by our Company. The number of Shares granted to any individual grantee under all the share incentive plans of our Company currently in effect shall not exceed 1% of our Company's total share capital.

Subject to the adjustment mechanisms set out in paragraph K below, the maximum number of Share Incentives initially available to be granted under each Share Incentive Plan is as follows:

Share Incentive Plan	Maximum number of Shares corresponding to initial Share Incentives that may be granted
2021 Share Incentive Plan	5,161,040 A Shares
2022 Share Incentive Plan	5,134,064 A Shares
2023 Share Incentive Plan	12,595,589 A Shares

Save for the Share Incentives that have already been granted under the Share Incentive Plans and disclosed in this prospectus, there are no additional Share Incentives available for grant under the Share Incentive Plans.

F. Date of Grant and Term of the Plans

The grant date of Share Incentives shall be determined by the Board after the approval of the Share Incentive Plans by the Shareholders at a general meeting. Unless otherwise stipulated by laws and regulations, the grant date must be a trading day of the Shenzhen Stock Exchange. The grant of Share Incentives is subject to the approval of the Board and shall be registered and announced within 60 days after the approval of the Share Incentive Plans at a general meeting.

The term of the Share Incentive Plans shall commence from the date of the completion of the first tranche of the grant of Share Incentives under the relevant plans and continue until the Share Incentives are fully exercised, canceled, vested, or lapsed, whichever is earlier. This term shall not exceed 72 months, 75 months, or 84 months, as applicable.

G. Conditions to the Grant of Share Incentives

Share Incentives will only be granted to eligible participants if the following conditions are fulfilled:

- (i) With respect to our Company, none of the following circumstances having occurred:
 - (A) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the certified public accountant with respect to our accountant's report for the most recent fiscal year;
 - (B) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the certified public accountant with respect to the internal control report contained in accountant's report for the most recent fiscal year;
 - (C) our Company has failed to distributed profits in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing on the Shenzhen Stock Exchange;
 - (D) implementation of any share incentive plan is prohibited under applicable laws and regulations; or
 - (E) any other circumstances determined by the CSRC.
- (ii) With respect to a grantee, none of the following circumstances having occurred:
 - (A) he or she has been regarded as an inappropriate participant by a stock exchange within the last 12 months;
 - (B) he or she has been regarded as an inappropriate participant by the CSRC or its local office within the last 12 months;
 - (C) he or she has been punished or prohibited from entering into the securities market by the CSRC or its local office due to material non-compliance of laws and regulations within the last 12 months;
 - (D) he or she is not qualified to serve as a director or senior management according to the PRC Company Law;
 - (E) he or she is prohibited from participating in any share incentive plans of listed companies according to applicable laws and regulations; or
 - (F) any other circumstances determined by the CSRC.

No consideration is paid/payable for the eligible participants to be granted Share Incentives under the Share Incentive Plans.

H. Lock-up Arrangements

The lock-up arrangements under the Share Incentive Plans are determined according to the Articles of Association and applicable PRC laws and regulations:

- (i) if the grantee is a Director or a senior management of our Company, the Shares to be transferred each year during his or her tenure shall not exceed 25% of the total Shares he or she holds. No Shares held by such Director or senior management may be transferred within six months after termination of his or her employment;
- (ii) if the grantee is a Director or senior management of our Company and their respective spouse, parents and child(ren), income gained through sale of Shares of our Company within six months of the purchase or repurchase of Shares of our Company within six months of the sale, shall belong to our Company and be reclaimed by the Board; and
- (iii) if there is any change in the applicable laws and regulations or the relevant provisions of the Articles of Association on the foregoing lock-up requirements within the term of the Share Incentive Plan, the grantee shall comply with the amended laws and regulations and the Articles of Association.

I. Vesting (Exercise) of Share Incentives

The Share Incentives will be vested or exercised when (i) the conditions set out under paragraph G above are fulfilled; and (ii) the performance targets of our Company and the grantees as set out under the relevant plans are achieved. The granted Share Incentives will be vested (exercised) in accordance with the schedules under the relevant plans after the lock-up period as follows:

Share Incentive Plan	Type of Share Incentives	Vesting schedule (for restricted stock) and exercise schedule (for stock options)
2021 Share Incentive Plan	Restricted stocks and stock options	(i) The restricted stocks may be vested and the stock options may be exercised in three tranches of 20%, 30% and 50% during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 48 months of the date of grant; or (ii) The restricted stocks may be vested and the stock options may be exercised in four tranches of 20%, 25%, 25% and 30% during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 60 months of the date of grant.

Share Incentive Plan	Type of Share Incentives	Vesting schedule (for restricted stock) and exercise schedule (for stock options)
2022 Share Incentive Plan	Restricted stocks and stock options	(i) The restricted stocks may be vested and the stock options may be exercised in three tranches of 20%, 30% and 50% during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 48 months of the date of grant; (ii) The restricted stocks may be vested and the stock options may be exercised in four tranches of 20%, 25%, 25% and 30% during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 60 months of the date of grant; or (iii) The restricted stocks may be vested and the stock options may be exercised in five tranches of 15%, 15%, 20%, 20% and 30% during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 72 months of the date of grant.
2023 Share Incentive Plan	Restricted stocks	(i) The restricted stocks may be vested in two equal tranches of 50% each during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 36 months of the date of grant; or (ii) The restricted stocks may be vested in five equal tranches of 20% each during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 72 months of the date of grant.

The Share Incentives granted but not vested (exercised) shall not be transferred, used as collateral or for repayment of debt. Stock options are exercised under a voluntary exercise model. According to the actual operation of voluntary exercise procedures, the actual exercisable period shall be from the date when the voluntary exercise procedures are completed by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to the last trading day within 12 months from the date when the exercise conditions are fulfilled.

The vesting (exercise) of the Share Incentives granted shall be on a trading day, which shall not fall within any prohibited period stipulated by the CSRC and the Shenzhen Stock Exchange.

J. Exercise Price

The exercise price of each Share Incentives shall not be lower than the nominal value of each A Share and, in principle, shall not be lower than (as the case may be stipulated in the relevant Share Incentive Plans):

Share Incentive Plan	Type of Share Incentives	Exercise price
2021 Share Incentive Plan	Restricted stocks	The higher of (i) 50% of the average trading price of A Shares on the trading day immediately preceding the announcement of the 2021 Share Incentive Plan; and (ii) 50% of the average trading price of A Shares during the 120 trading days immediately preceding the announcement of the 2021 Share Incentive Plan
	Stock options	The higher of (i) the average trading price of A Shares on the trading day immediately preceding the announcement of the 2021 Share Incentive Plan; and (ii) the average trading price of A Shares during the 120 trading days immediately preceding the announcement of the 2021 Share Incentive Plan

Share Incentive Plan	Type of Share Incentives	Exercise price
2022 Share Incentive Plan	Restricted stocks	The higher of (i) 50% of the average trading price of A Shares on the trading day immediately preceding the announcement of the 2022 Share Incentive Plan; and (ii) 50% of the average trading price of A Shares during the 60 trading days immediately preceding the announcement of the 2022 Share Incentive Plan
	Stock options	The higher of (i) the average trading price of the A Shares on the trading day immediately preceding the announcement of the 2022 Share Incentive Plan; and (ii) the average trading price of the A Shares during the 60 trading days immediately preceding the announcement of the 2022 Share Incentive Plan
2023 Share Incentive Plan	Restricted stocks	The higher of (i) 50% of the average trading price of A Shares on the trading day immediately preceding the announcement of the 2023 Share Incentive Plan; and (ii) 50% of the average trading price of A Shares during the 60 trading days immediately preceding the announcement of the 2023 Share Incentive Plan

K. Adjustment

Subject to the other terms and conditions contained in the Share Incentive Plans, the number and/or exercise price of granted Share Incentives may be adjusted upon the occurrence of certain events from the date of the announcement of the relevant Share Incentive Plan to the completion of relevant registration or exercise by the grantee. These events include, as the case may be, (i) capitalization of reserves, (ii) distribution of stock dividends, (iii) distribution of cash dividends, (iv) share subdivision, and (v) share issuance or share consolidation.

L. Dividend and Voting Rights

Upon the vesting (exercise) of Share Incentives in accordance with the relevant plans, the grantees will be entitled to exercise the right of Shareholders, including but not limited to the right to receive dividends and right to vote at the general meeting.

M. Outstanding Share Incentives

As of the Latest Practicable Date, the number of the outstanding Share Incentives granted under the Share Incentive Plans was 15,229,646, representing approximately 0.34% of the issued Shares immediately following the completion of the Global Offering (assuming (i) the Offer Size Adjustment Option and the Over-allotment Option are not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing). If all outstanding Share Incentives granted under the Share Incentive Plans (including both the restricted stocks and the stock options) are fully exercised, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing, the issued and outstanding Shares held by Shareholders following the Listing will be diluted by approximately 0.34%. The dilutive effect on our earnings per share will be approximately 0.34%.

The following table sets forth the details of outstanding Share Incentives granted to all grantees (including Directors, senior management members, 12 other connected persons and employees of our Company) under the Share Incentive Plans as of the Latest Practicable Date. As our Supervisors are not eligible participants under the rules of the Share Incentive Schemes, we did not grant any Share Incentive to them as of the Latest Practicable Date.

Name of grantee	Position in our Group	Address	Date of grant	Type of Share Incentives	Number of outstanding Share Incentives	Exercise price (per Share)	Vesting period (for restricted stocks)/ Exercise period (for stock options)	Approximate % of the issued Shares immediately after the Global Offering ⁽¹⁾
<i>Directors or senior management members</i>								
Mr. Zhou Jia . . .	Vice chairman of the Board and executive Director	Room 406, Building 16 Guanyunxuan Community, No. 6 Xingang Road, Zhangwan Town, Jiaocheng District, Ningde City, Fujian	September 8, 2022	Stock options	379,403	RMB279.91	48/60 months	0.01%

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

Name of grantee	Position in our Group	Address	Date of grant	Type of Share Incentives	Number of outstanding Share Incentives	Exercise price (per Share)	Vesting period (for restricted stocks)/ Exercise period (for stock options)	Approximate % of the issued Shares immediately after the Global Offering ⁽¹⁾
Mr. Zhao Fenggang	Executive Director	Room 1402, Block 1 Fuzhuyuan,	September 8, 2022	Stock options	85,963	RMB279.91	48 months	0.00%*
		Shizhuxin Garden, No. 18	September 8, 2022	Restricted stocks	32,834	RMB133.67	60 months	0.00%*
		Hongtu Road, Nancheng,	September 8, 2023	Restricted stocks	208,352	RMB101.90	72 months	0.00%*
		Dongguan City Guangdong						
Mr. Tan Libin	Vice general manager	Room 204, Building 15	September 8, 2022	Restricted stocks	50,744	RMB133.67	48/60 months	0.00%*
		Guanyunxuan Community, No. 6 Xingang Road, Zhangwan Town, Jiaocheng District, Ningde, Fujian	September 8, 2023	Restricted stocks	194,094	RMB101.90	72 months	0.00%*
Mr. Jiang Li	Vice general manager and Board secretary	Room 1103, Building 6	September 8, 2022	Restricted stocks	14,264	RMB133.67	48/72 months	0.00%*
		Guanyunxuan Community, No. 6 Xingang Road, Zhangwan Town, Jiaocheng District, Ningde, Fujian	September 8, 2023	Restricted stocks	148,173	RMB101.90	72 months	0.00%*
Mr. Zheng Shu	Chief financial officer	Room 1803, Building 16	September 8, 2022	Restricted stocks	11,609	RMB133.67	72 months	0.00%*
		Guanyunxuan Community, No. 6 Xingang Road, Zhangwan Town, Jiaocheng District, Ningde, Fujian	September 8, 2023	Restricted stocks	151,507	RMB101.90	72 months	0.00%*

Name of grantee	Position in our Group	Address	Date of grant	Type of Share Incentives	Number of grantees ⁽¹⁾	Number of outstanding Share Incentives	Exercise price (per Share)	Vesting period (for restricted stocks)/ Exercise period (for stock options)	Approximate % of the issued Shares immediately after the Global Offering ⁽²⁾
Connected persons									
Other connected persons ⁽³⁾	Middle-level management personnels	–	November 19, 2021	Stock options	3	30,623	RMB327.47	48/60 months	0.00%*
			September 8, 2022	Stock options	2	12,739	RMB279.91	48 months	0.00%*
			September 8, 2022	Restricted stocks	6	57,166	RMB133.67	48/60/72 months	0.00%*
			September 8, 2023	Restricted stocks	10	757,055	RMB101.90	36/72 months	0.02%
Other grantees									
Employee ⁽⁴⁾	Middle-level management personnels or core employees	–	November 19, 2021/ September 8, 2022/ September 8, 2023	Stock options/ Restricted stocks	5,049	13,095,120	RMB327.47/ RMB157.45/ RMB279.91/ RMB133.67/ RMB101.90	36/48/60/72 months	0.29%
Total						15,229,646			0.34%

Notes:

- (1) Individual grantees may be granted restricted stocks and/or stock options under one or more Share Incentive Plans.
- (2) Assuming (i) the Offer Size Adjustment Option and the Over-allotment Option are not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing.
- (3) Including other 12 connected persons who are either connected persons at subsidiary level, or associates of a Director, Supervisor or substantial Shareholder of our Company.
- (4) No employee grantees have been granted Share Incentives in excess of 1% of the issued Shares of our Company immediately after the Global Offering on a standalone basis.

* Denotes less than 0.005%

The following table sets forth the details of outstanding Share Incentives granted to other grantees (excluding Directors, Supervisors, senior management members and 12 other connected persons of our Company) under the Share Incentive Plans as of the Latest Practicable Date, by number range:

Range of outstanding Share Incentives	Date of grant	Type of Share Incentives	Number of grantees ⁽¹⁾	Number of outstanding Share Incentives	Exercise price (per Share)	Vesting period (for restricted stocks)/ Exercise period (for stock options)	Approximate % of the issued Shares immediately after the Global Offering ⁽²⁾
1-10,000 . . .	November 19, 2021	Stock options	264	1,375,291	RMB327.47	48/60 months	0.03%
	November 19, 2021	Restricted stocks	240	346,676	RMB157.45	48/60 months	0.01%
	September 8, 2022	Stock options	121	532,336	RMB279.91	48/60/72 months	0.01%
	September 8, 2022	Restricted stocks	3,932	1,580,727	RMB133.67	48/60/72 months	0.03%
	September 8, 2023	Restricted stocks	331	446,833	RMB101.90	36/72 months	0.01%
10,001- 100,000 . . .	November 19, 2021	Stock options	42	614,172	RMB327.47	48/60 months	0.01%
	September 8, 2022	Stock options	21	459,959	RMB279.91	48/60/72 months	0.01%
	September 8, 2022	Restricted stocks	30	697,444	RMB133.67	48/60/72 months	0.02%
	September 8, 2023	Restricted stocks	42	2,887,878	RMB101.90	36/72 months	0.06%
>100,000 . . .	September 8, 2022	Stock options	6	829,783	RMB279.91	48/60/72 months	0.02%
	September 8, 2023	Restricted stocks	20	3,324,021	RMB101.90	36/72 months	0.07%
Total			5,049	13,095,120			0.29%

Notes:

- (1) Individual grantees may be granted restricted stocks and/or stock options under one or more Share Incentive Plans.
- (2) Assuming (i) the Offer Size Adjustment Option and the Over-allotment Option are not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing.

The following table sets forth the details of outstanding Share Incentives granted to other grantees (excluding Directors, Supervisors, senior management members and 12 other connected persons of our Company) under each Share Incentive Plan as of the Latest Practicable Date:

Share Incentive Plans	Date of grant	Type of Share Incentives	Number of grantees ⁽¹⁾	Number of outstanding Share Incentives	Exercise price (per Share)	Vesting period (for restricted stocks)/ Exercise period (for stock options)	Approximate % of the issued Shares immediately after the Global Offering ⁽²⁾
2021 Share Incentive Plan	November 19, 2021	Stock options	306	1,989,463	RMB327.47	48/60 months	0.04%
	November 19, 2021	Restricted stocks	240	346,676	RMB157.45	48/60 months	0.01%
2022 Share Incentive Plan	September 8, 2022	Stock options	148	1,822,078	RMB279.91	48/60/72 months	0.04%
	September 8, 2022	Restricted stocks	3,962	2,278,171	RMB133.67	48/60/72 months	0.05%
2023 Share Incentive Plan	September 8, 2023	Restricted stocks	393	6,658,732	RMB101.90	36/72 months	0.15%
Total			5,049	13,095,120			0.29%

Notes:

- (1) Individual grantees may be granted restricted stocks and/or stock options under one or more Share Incentive Plans.
- (2) Assuming (i) the Offer Size Adjustment Option and the Over-allotment Option are not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing.

5. OTHER INFORMATION

A. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

B. Litigation

As of the Latest Practicable Date, we were not aware of any litigation or arbitration proceedings of material importance pending or threatened against any member of our Group that could have a material adverse effect on our financial condition or results of operations.

C. Joint Sponsors

The Joint Sponsors have applied to the Stock Exchange for the listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering. All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

Each of Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Each of the Joint Sponsors will be paid by our Company a fee of US\$300,000 to act as a sponsor to our Company in connection with the Listing.

D. Compliance Advisor

Our Company has appointed China Securities (International) Corporate Finance Company Limited as our Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules.

E. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

F. Taxation of Holder of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is a 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

Potential investors in the Global Offering are urged to consult their professional tax advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our H Shares (or exercising rights attached to them). None of our Company, our Directors, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, or any other person or party involved in the Global Offering accept responsibility for any tax effects on, or lawful liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our H Shares.

G. Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	Licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
China Securities (International) Corporate Finance Company Limited	A licensed corporation carrying on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
J.P. Morgan Securities (Far East) Limited	A licensed corporation under the SFO carrying on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Merrill Lynch (Asia Pacific) Limited	A licensed corporation carrying on Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), and Type 6 (advising on corporate finance) regulated activities under the SFO
Llinks Law Offices	PRC legal advisors to our Company
Grant Thornton Hong Kong Limited	Certified Public Accountants under the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Auditors for Public Interest Entities under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
GGII	Independent industry consultant

Save as in connection with the Global Offering, none of the experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

H. Promoters

The promoters of our Company are as follows:

No.	Name of promoters of our Company
1 . . .	Xiamen Ruiting
2 . . .	Mr. Huang Shilin
3 . . .	Ningbo United Innovation of New Energy Investment Management Partnership (Limited Partnership)
4 . . .	Mr. Li Ping

Within the two years immediately preceding the date of this prospectus, no cash, securities, amount or benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters named above in connection with the Global Offering or the related transactions described in this prospectus.

I. Bilingual Document

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

J. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in so far as applicable.

K. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our financial, business position or prospects since December 31, 2024, being the date of our consolidated financial statements as set out in the Accountants' Report as set out in Appendix I to this prospectus, and up to the date of this prospectus.

L. Miscellaneous

Save as disclosed in the section headed “Financial Information” and this Appendix, in connection with the Global Offering or otherwise waived or exempted from disclosure pursuant to the waivers and exemptions disclosed in the section headed “Waivers and Exemptions”,

- (i) within the two years immediately preceding the date of this prospectus, to the best of our knowledge,
 - (A) neither our Company nor any of our Major Subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash; and
 - (B) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our Major Subsidiaries;
- (ii) no share or loan capital of our Company or any of the Major Subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (iii) there are no arrangements under which future dividends are waived or agreed to be waived;
- (iv) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the 12 months proceeding the date of this prospectus; and
- (v) our Company has no outstanding convertible debt securities or debentures.

APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

- (i) the written consents referred to in “Appendix VI — Statutory and General Information — 5. Other Information — G. Consents of Experts” to this prospectus; and
- (ii) a copy of each of the material contracts referred to in “Appendix VI — Statutory and General Information — 2. Further Information about Our Business — A. Summary of Material Contracts” to this prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the Stock Exchange’s website at www.hkexnews.hk and our Company’s website at www.catl.com during a period of 14 days from the date of this prospectus:

- (i) the Articles of Association;
- (ii) the Accountants’ Report from Grant Thornton Hong Kong Limited, the text of which is set out in Appendix I to this prospectus;
- (iii) the audited financial statements of our Group for the three years ended December 31, 2024;
- (iv) the report on review of the unaudited condensed consolidated interim financial information of our Group for the three months ended March 31, 2025 from Grant Thornton Hong Kong Limited, the text of which is set out in Appendix IA to this prospectus;
- (v) the report on unaudited pro forma financial information of our Group from Grant Thornton Hong Kong Limited, the text of which is set out in Appendix II to this prospectus;
- (vi) the legal opinions issued by Llinks Law Offices, our PRC Legal Advisors in respect of certain matters of our Group in the PRC;
- (vii) the industry report prepared by GGII, the summary of which is set forth in “Industry Overview;”
- (viii) the PRC Company Law, the PRC Securities Law, and the Overseas Listing Trial Measures together with their unofficial English translations;
- (ix) the material contracts referred to in “Appendix VI — Statutory and General Information — 2. Further Information about Our Business — A. Summary of Material Contracts” to this prospectus;

- (x) the written consents referred to in “Appendix VI — Statutory and General Information — 5. Other Information — G. Consents of Experts” to this prospectus;
- (xi) the service contracts referred to in “Appendix VI — Statutory and General Information — 3. Further Information about Directors, Supervisors, Chief Executive and Substantial Shareholders of Our Company” to this prospectus; and
- (xii) the terms of the Share Incentive Plans.

CATL

寧德時代新能源科技股份有限公司
Contemporary Amperex Technology Co., Limited