

# CALB

## 中創新航科技集團股份有限公司 CALB Group Co., Ltd.

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

Stock Code: 3931

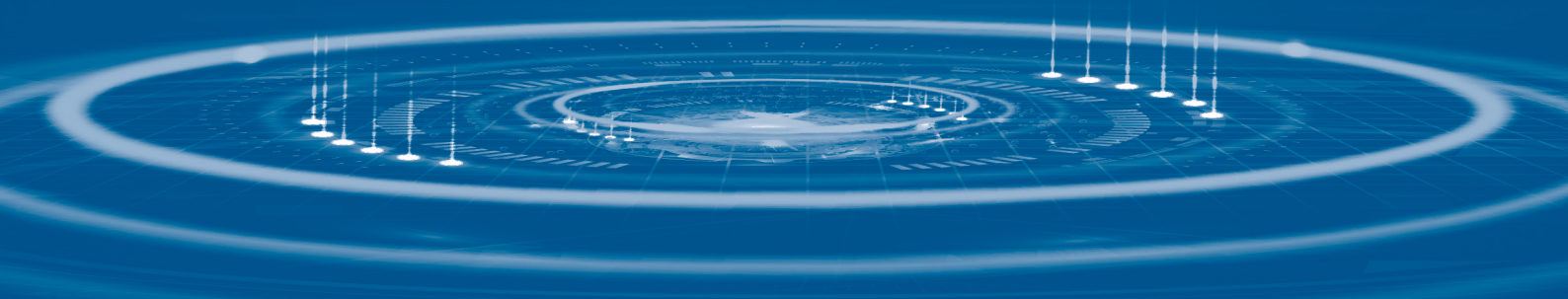
We have committed to the development, innovation and technological leadership in the new energy field, continued to build the healthy ecosystem of the new energy industry, and effectively fulfilled our responsibilities of energy security and sustainable development for human beings.



2024  
INTERIM REPORT

# Contents

CORPORATE INFORMATION	2
MANAGEMENT DISCUSSION AND ANALYSIS	4
CORPORATE GOVERNANCE AND OTHER INFORMATION	22
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS	29
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	30
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	33
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	34
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	35
DEFINITIONS AND GLOSSARY	57



# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Ms. Liu Jingyu (*Chairwoman of the Board and president*)

Mr. Dai Ying

### Non-executive Directors

Mr. Zhou Sheng

Mr. Zhang Guoqing

Mr. Li Yunxiang (resigned on 26 August 2024)

### Independent Non-executive Directors

Mr. Wu Guangquan

Mr. Wang Susheng

Mr. Chen Zetong

## AUDIT COMMITTEE

Mr. Wang Susheng (*Chairman*)

Mr. Wu Guangquan

Mr. Chen Zetong

## REMUNERATION COMMITTEE

Mr. Wu Guangquan (*Chairman*)

Ms. Liu Jingyu

Mr. Chen Zetong

## NOMINATION COMMITTEE

Mr. Chen Zetong (*Chairman*)

Ms. Liu Jingyu

Mr. Wu Guangquan

## JOINT COMPANY SECRETARIES

Mr. Dai Ying

Mr. Cheung Kai Cheong Willie (*FCCA, CPA*)

## AUTHORISED REPRESENTATIVES

Mr. Dai Ying

Mr. Cheung Kai Cheong Willie

## AUDITOR

RSM Hong Kong

29/F, Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong

## REGISTERED OFFICE

No. 1

Jiangdong Avenue

Jintan District

Changzhou City

Jiangsu Province

## HEAD OFFICE AND PRINCIPAL PLACE IN THE PRC

No. 1

Jiangdong Avenue

Jintan District

Changzhou City

Jiangsu Province

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East, Wanchai

Hong Kong

## H SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

### **PRINCIPAL BANKS**

China Construction Bank Corporation  
Agricultural Bank of China Limited  
China Merchants Bank Co., Ltd.  
Industrial Bank Co., Ltd.

### **STOCK CODE**

3931

### **COMPANY WEBSITE**

[www.calb-tech.com](http://www.calb-tech.com)

# Management Discussion and Analysis

## I. The Industry which the Company Operates in

At present, green and sustainable development has become a global consensus, and major countries and regions have put forward the goal of achieving “carbon peaking and carbon neutrality” one after another. According to statistics of the International Energy Agency (IEA), global energy investment has boosted significantly since 2020 and is expected to exceed US\$3 trillion for the first time in 2024, with investment in technology development and infrastructure construction in the clean energy sector exceeding US\$2 trillion. The development of the new energy industry has become a solid force to promote the realization of the goal of achieving “carbon peaking and carbon neutrality”.

### 1. EV battery market

Driven by the goal of achieving carbon peaking and carbon neutrality, new energy vehicles are becoming a leading force in the transformation of the global transportation field, and their market penetration is rapidly increasing. This transformation not only highlights the remarkable progress of new energy vehicles in terms of endurance and safety performance, but also marks a critical period of transformation for the global automotive industry. Advances in technology have enabled new energy vehicles to achieve breakthroughs in improving fast charging capabilities and integrating intelligent functions, providing users with a better driving experience. Governments around the world are also taking active actions to support the development of the new energy vehicle industry in all aspects, from purchase tax exemptions to the construction of charging infrastructure. These measures have not only accelerated the pace of innovation in the industry, but also pushed the entire industry chain to a higher level of quality standards. As a key link in the industrial chain, EV battery has also achieved its own high-quality development during the process, laying a solid foundation for the sustainable development of new energy vehicles.

According to the data from SNE Research, driven by the boom of the new energy vehicle industry, the demand for EV batteries has increased rapidly. The global installed capacity of EV batteries for new energy vehicles reached 364.6GWh in the first six months of 2024, representing a year-on-year increase of 22.3%.

With its rapid growth and innovative technology applications, China’s new energy vehicle market has gradually become a pioneer in the global green travel and sustainable development. The prosperity of China’s new energy vehicle market is profoundly affecting the domestic industrial ecology and promoting the transformation of the economic structure in a green and intelligent direction. According to the data from China Association of Automobile Manufacturers (中國汽車工業協會), the sales volume of new energy vehicles in China reached 4.944 million units in the first six months of 2024, representing a year-on-year increase of 32%, and the penetration rate of new energy vehicles was 35%, with the penetration rate in June reaching 41%.

In the European market, the development of new energy vehicles has been greatly supported by the governments and the sector. Both the European Union and the United Kingdom have set a goal of achieving carbon neutrality by 2050, and are committed to promoting the electrification transformation of vehicles to achieve this goal. In 2024, the policy support for new energy vehicles in the United States has shown a trend of encouraging localized production and supply chain restructuring, while stimulating market demand through tax credits and other measures.

### 2. Energy storage market

The global energy storage market is embracing a period of rapid development in 2024. The market size will keep growing. According to the statistics of ICC XinLuo Information (ICC 鑫羅信息), the global energy storage lithium battery shipments in the first half of 2024 showed an overall steady growth trend with a year-on-year increase of approximately 35%.

The National Energy Administration of the PRC issued the Notice on Promoting the New Energy Storage Integration and Dispatch Utilization to clarify the positioning of new energy storage functions, optimize the dispatching operation mechanism, and promote efficient dispatch utilization of new energy storage. The policy aims to regulate grid integration and connection, support the joint deployment model, strengthen operation management, and encourage technological innovation. According to the statistics of GGII, China's energy storage lithium battery shipments in the first half of 2024 were 116GWh, representing a year-on-year increase of 41%. Among which, power storage recorded shipments of 103GWh, representing a year-on-year increase of 43%, accounting for 89%, which was further expanded, remaining the main driving force for the current demand growth.

Driven by the policies and technological progress, the energy storage industry in Europe has grown rapidly, and large-scale energy storage has become a key force in promoting energy transformation. The policy support for energy storage in Europe is mainly to promote energy transformation and improve grid stability. The energy storage market of the United States is one of the important engines of the global energy storage market, 37 states in the United States have established renewables portfolio standards and targets, and 17 states have introduced policies for subsidies related to energy storage, showing great supporting efforts.

## II. Business

As a leading international new energy technology enterprise, the Group is committed to becoming an energy value creator. Adhering to the mission of "achieving greatness through win-win cooperation, and benefiting mankind for a better world", the Group will continue to shape a healthy ecology of the new energy industry by pioneering innovation and technology leadership in the field of new energy, and do its utmost to achieve the "carbon peaking and carbon neutrality" goal and the new energy vehicle strategy, and fulfill its responsibilities for human energy security and sustainable development.

## Management Discussion and Analysis

Adhering to technological innovation and maintaining the leading product power, the Group has proposed the core concept of innovation and development of “the ultimate balance of energy and resources, the ultimate balance of energy and safety, and the high integration of design and manufacturing”, and established a set of industry-leading and efficient R&D system, which has demonstrated its systematic and strong underlying technology innovation capabilities. It is committed to being an “battery expert”, in an effort to persistently provide the market and customers with reliable and reassuring “good batteries”. At the same time, we insist on thinking innovation, process innovation and management innovation to jointly promote the successful implementation of the Group’s strategies and build it into a top value-creating company.

In the first half of 2024, the Group made full efforts in all fields to achieve sustained and rapid development.

- The Group’s installed capacity of EV batteries firmly ranked the second place among the third-party EV battery enterprises in China, among which, the installed capacity for hybrid electronic vehicles increased by 155% year-on-year; the installed capacity for commercial vehicles in China increased by 125% year-on-year, covering all mainstream products in the market and completing the comprehensive support for and batch delivery for all models of strategic customers; the international installed capacity of EV batteries increased significantly year-on-year.
- The Group experienced continuous substantial growth in its energy storage market shipments, its 314Ah battery cells product was the first in the industry to achieve stable delivery in batches, and won high recognition from strategic customers for its products and delivery capabilities. The Group secured the world’s largest energy storage battery order in the international market.
- For the shipping market, the Group, as China’s first DNV-certified battery manufacturers, has been cooperating with many well-known enterprises at home and abroad and has signed several projects of international large-scale commercial ships, and the deliveries will be completed in succession, in a bid to facilitate the world’s largest, and the world’s first-of-its-kind 10,000-ton pure electric container ship to be put into operation officially.

### 1. Further breakthrough in technology

Adhering to the technology innovation as the driving force, the Group created top-notch technologies and products through continuous innovation to achieve its breakthrough in technological development, continuously boosting the core competitiveness of the Group.

- (1) In terms of advanced materials, focusing on key materials including 5V high-voltage lithium nickel-manganate materials, new ultra-fast charging silicon carbon materials, new electrolyte additives that place equal emphasis on fast-charging and long life, and new all-solid-state electrolyte materials, the Group completed a series of key technological breakthroughs;

## Management Discussion and Analysis

- (2) In terms of high-performance battery technology, the Group completed the development of high specific energy 5C super-charged LFP products; completed the stage development of 6C super-charged high nickel cylinder technology and product, which are characterized by both high-energy and ultra-fast charging; completed the stage development of technology and product for high manganese iron lithium batteries focusing on high energy and high safety, and put them onto vehicles for test and verification; completed further breakthrough of energy storage battery technologies for high energy efficiency and ultra-long life, leading the innovation and upgrading of the industry;
- (3) In terms of new battery technology, the 400Wh/kg high specific energy and high safety mixed solid-liquid battery products have entered the stage of industrialization, with industry-leading core indicators such as thermal safety and calendar life; high-energy sulfide all-solid-state batteries achieved breakthroughs in key technologies;
- (4) In terms of advanced manufacturing, the Group 1) completed the development of thick electrode manufacturing technology to achieve high-speed mass production, with a 5% increase in product energy density, a 3% reduction in manufacturing cost, and a 20% increase in core-making efficiency; 2) completed the development of fast-charging and core-making technology, and realized the mass production application of core manufacturing technologies such as fast-charging material electrode processing based on the application scenarios of 4C super-charged LFP, 6C high-nickel and other products; 3) completed the development and application of core technologies for “Top-tier” batteries to increase the manufacturing efficiency in key processes by more than 30%, and increase the space utilization rate by more than 20%; 4) by adopting the integrated solution of machine vision and building an AI-based big data platform, the test and inspection efficiency was increased by 50%, achieving the quality control at the ppb level of the process and high-reliability batch delivery; and
- (5) In terms of battery full life cycle management, the Group adopted manufacturing big data and virtual measurement technology to optimize the battery manufacturing process, which improved the manufacturing efficiency of key processes by more than 20% and reduced energy consumption by more than 50%.

The Group followed the high-quality intellectual property rights development which was deeply integrated with the strategy of “consolidating its leadership in product and technology”, and focused on the high-quality patent portfolio to constantly forge an innovative brand power. It has established a patent portfolio in the entire battery industry chain covering battery materials, battery structure, system integration, electrical circuits, BMS, manufacturing process equipment and battery recycling. As of 30 June 2024, the Group had been granted 3,438 patents and has applied for 746 patents pending authorization.



# Management Discussion and Analysis

## 2. Regaining a leading position in terms of products

Putting together its own technical capabilities and industrialization strength, the Group constantly pursued the high energy density and stable safety performance of EV batteries, launching more competitive new products of ternary series and phosphate series. The Group continued to maintain its product leadership by devoting its efforts in power energy storage (new energy power generation and power grid), industrial and commercial energy storage, household energy storage and other application scenarios.

### Products for passenger vehicle market

#### (1) Ternary EV batteries

- 1) 400V 2C medium-nickel high-voltage battery: can attain 20%-80% charging within 18 minutes, for which the Group has achieved the delivery in batches in the mid-to-high-end pure electric BEV/REEV market;
- 2) 800V 3C/5C medium-nickel high-voltage battery: can attain 20%-80% charging within 10 minutes, for which the Group has achieved the delivery in batches;
- 3) 6C high-nickel R46 large cylinder battery: the maximum fast charging capacity of “Top-tier” high-nickel R46 large cylinder product exceeds that of 6C while the energy density of the battery cells is as high as 300Wh/kg;
- 4) High-energy and high-nickel multi-element battery: through innovative technologies such as multi-doped cathode, self-buffered silicon carbon anode, high-safety electrolyte and self-healing interface, the cycle life exceeds 1,500 times on the basis of the energy density of the battery cells as high as 350Wh/kg. At the same time, through the extreme needle puncture test, the safety of high-energy batteries is guaranteed to the greatest extent, achieving new breakthroughs in safety and life; and
- 5) Ultra-high energy density semi-solid battery: focusing on the intrinsic safety requirements of ultra-high energy batteries, through the combination of the advantages of new liquid safety electrolyte and solid-state safety technology, the cycle life is close to 1,000 times while the energy density of the battery cells exceeds 400Wh/kg, achieving the ultimate balance of energy, performance and safety.

#### (2) Phosphate series EV batteries

- 1) the high-power LFP prismatic battery: featuring high power and all-climate scenario application, which is the high-quality product developed for the hybrid passenger vehicle market, with mileage coverage ranging 80km-400km. It has been delivered in batches;

- 2) the high-power LFP R46 large cylinder battery: “Top-tier” iron lithium R46 large cylinder product is a new generation product developed for the hybrid electronic market, with leading advantages such as minimizing cost and maximizing performance. It will be delivered in batches soon;
- 3) the high specific energy LFP battery: L300 series prismatic battery cell adopts all tab laminated technology. The battery cell is thinner and lighter, with better volumetric efficiency and assembly efficiency, leading the third-generation benchmark in the industry. It has been delivered in batches;
- 4) 800V 3C fast-charging LFP battery: the fast-charging LFP product firstly launched in the industry, featuring high specific energy, high rate and fast charging, has been highly recognized in pure electric market of mid-to-high-end passenger vehicles. It has been delivered in batches; and
- 5) 800V 5C super-charged LFP battery: can attain 10%-80% charging within 12 minutes, and it will be delivered in batches soon.

### Products for commercial vehicle market

- (1) In terms of light commercial vehicle: the mass-produced TEU can cover 30~100 kWh of electricity, leading the markets of mini vans, medium vans, large vans, mini trucks, small trucks and light trucks, and the quality and excellent performance of our products are highly recognized by customers; our products have successively passed certificates such as UL/IEC/CE and have been successfully launched in international markets; the industry’s first battery system featuring single pack and large capacity, with a single pack covering 100~180 kWh of electricity, has completed the actual measurement of 600 kilometers of full-load range. The charging time from 20% to 80% takes 15 minutes, which has effectively relieved customers’ anxiety about driving range. Meanwhile, the enhanced energy density of the battery system has effectively improved the space utilization of the entire vehicle. The products will be delivered in mass production soon; and
- (2) In terms of heavy commercial vehicle: the mass-produced TEU can be matched with battery systems as required, with multi-combinations achieving full coverage of 90~600 kWh of electricity, which can satisfy the demand of all scenarios in different working conditions and different fields such as traction, mixing, self-unloading, special-purpose and engineering machinery; the industry’s first TEU with 100 kWh of electricity, which is suitable for heavy trucks with battery systems of 400~800 kWh of electricity, and can achieve a full-load driving range of up to 530 km and a full-package energy density of 167 Wh/kg. The products will be delivered in mass production soon.

## Management Discussion and Analysis

### Products for energy storage market

- (1) For power energy storage application scenario: the 314Ah battery cell products are the first in the industry to pass certification and take the lead in realizing large-scale and stable delivery in batches. They have successfully secured the market position and obtained recognition from strategic customers for the products and delivery capabilities. The “third-generation liquid-cooled container energy storage system” developed based on the new generation of energy storage battery cells, which features a combination of high safety, high reliability, high energy efficiency, long life and high energy density, achieves a discharge capacity of 6.25MWh or above for a standard 20ft energy storage containers through innovative system design, being at the leading edge of the industry; in terms of system integration, the integrated power per unit area increased by more than 30% as compared with the previous generation, helping customers achieve a significant reduction in initial investment cost and levelized cost of energy during the life cycle and greatly increase the overall revenue of power stations;
- (2) For industrial and commercial energy storage application scenario: the standardized outdoor integrated cabinet products and comprehensive solutions have the advantages of modular design, active safety system, intelligent power distribution system, safety and reliability, and economic efficiency; and
- (3) For household energy storage application scenario: the long-life prismatic battery and intelligent management system is equipped with multiple protection mechanisms when facing situations such as over-charge, over-discharge, over-temperature, over-current, and short circuit, the products have successively passed a series of overseas certifications such as UL/IEC/CE, and the product performance, cost and safety performance are widely recognized by customers.

### 3. Business achievements

During the Reporting Period, the total assets of the Group amounted to RMB111,263 million, representing an increase of 5.5% as compared with the beginning of the year, and the net assets amounted to RMB47,369 million, representing an increase of 2.1% as compared with the beginning of the year. The Group achieved a revenue of RMB12,469 million, representing an increase of 1.4% as compared with the corresponding period of last year, which was mainly attributable to the release of the Group’s production capacity and the increase in customer demands.

**Passenger vehicle market: adhered to the differentiated strategy to optimize the strategic layout, solidified and deepened the cooperation in the domestic market, and made comprehensive efforts in the international market, and the overseas installed capacity of EV batteries increased significantly on a year-on-year basis.**

- (1) in the field of pure electric vehicle: while maintaining the advantageous position of economic passenger vehicles, a significant growth in the installed capacity in mid-to-high-end passenger market has been achieved. In addition to the stable mass production and delivery of brand models such as GAC, Geely, XPeng, NIO and Leapmotor, the Group also supported new automotive models such as a leading new force and Zhiji Automobile; among which, the delivery of pure electric vehicles for high-end market increased significantly year-on-year. The overseas installed capacity of EV batteries increased significantly on a year-on-year basis, mainly due to the year-on-year increase in the volume of products of the Company for overseas exports as overseas exports of domestic proprietary brands increased, while in terms of new customer development, the Group became the designated partner of new platforms and projects of many international customers such as Toyota, Volkswagen, Ford, Audi and Mazda, pushing ahead the progress of its international development; and
- (2) in the hybrid electronic field: the Group has achieved the delivery in batches of multiple projects and increased mass production capabilities to support key models of various leading customers such as Chery, Dongfeng and BAIC. Our installed capacity of hybrid electronic vehicles increased by 155% year-on-year and the market share increased continuously.

**In the commercial vehicle market: domestic installed capacity increased by 125% as compared with the same period last year and the Group has covered all mainstream products in the market, and completed the comprehensive support for all models and delivery in batches for strategic customers; the delivery volume in international market steadily increased.**

- (1) In the field of light commercial vehicles, it has achieved in-depth cooperation with customers such as Geely, Ruichi, Chery, BAIC, Dongfeng and Changan, providing comprehensive support and batch delivery for the industry's mainstream models; the products have been applied to key clients from business-end, such as DST and JD.com; in the field of heavy trucks and special vehicles, the Group has cooperated with customers including Sany Group, XCMG and Shaanxi Automobile in terms of dump trucks, mixer trucks, tractors, loaders and excavators, etc; and

## Management Discussion and Analysis

- (2) In terms of international market, customer base in the European market continued to expand. The delivery volume steadily increased and the delivered products became increasingly diversified, covering mainstream bus business. For example, our market share of British electric buses exceeded 50%, our ternary VDA products ranked first in terms of the supply volume in the market of British electric bus and we were awarded as “Preferred Supplier” by customers. We have obtained AIS038 and AIS-004 certification respectively in the Indian market and became the first enterprise in the electric heavy truck sector in India to obtain the above certification, laying a solid foundation for the subsequent in-depth development in the Indian market.

**In the energy storage market: the business results in terms of shipments achieved sustained significant growth. The Group’s 314Ah battery cells product was the first in the industry to achieve stable delivery in batches, and won high recognition from strategic customers for its products and delivery capabilities. The Group secured the world’s largest energy storage battery order.**

- (1) The Group established direct cooperation with power groups such as the “Five Leading and Six Major”, and achieved strategic cooperation with SPIC, CNNP Rich Energy, China Energy Construction, China Three Gorges Renewables, China Electrical Equipment Group, etc. The Group’s products were adopted by a number of energy storage power station projects, and they have realized the operation and grid connection;
- (2) The Group entered into strategic cooperation agreements with leading customers in various fields such as system integrators, wind power and photovoltaic enterprises to establish a long-term and stable supply relationship, with its market share and ranking further improving. The Group completed product recognition and cooperation with the top 30 system integrators in terms of shipments, and provided delivery in batches to over 20 of them, becoming a core supplier and partner of the leading enterprises in the industry and was highly recognized by the customers;
- (3) While continuing to maintain the influence in the power storage market segment, the Group completed its market layout in the industrial and commercial energy storage, household energy storage market segment through the launch of full-scenario standardized energy storage products and solutions, which laid a solid foundation for the follow-up rapid growth in the energy storage market.
- (4) The Group achieved major breakthroughs in the international market, completed the admission process with a number of international top energy storage owners, EPCs, integrators and suppliers, enlisted in the whitelist of these customers, achieved the delivery in batches and secured the world’s largest energy storage battery order. At the same time, as the mainstream products in the market, system products such as 5MWh liquid-cooled containers and outdoor energy storage cabinets achieved mass production and were delivered in batches, with industry-leading product performance.

### III. Future Prospects

The Group has been driving its rapid development with innovation, adhering to the strategy of product and technology leadership, and conducting future-oriented R&D layout to promote the continuous advancement of battery technology in multiple dimensions, such as material innovation, structural innovation, manufacturing innovation, and system innovation. With a number of technologies and products achieving industry-leading performance, we will create hardcore product power for all scenarios and lead the industry to new heights. Revolving around the business strategy of “dual-driven force of power and energy storage” and regional strategy of “paradigm featuring dual circulation (國內國際雙循環)”, the Group is dedicated to serving the high-quality development of new energy with its leading technology and product capabilities and insisting on taking the needs of end users and customers and social sustainable development as the fundamental pursuit of technological development. Focusing on solving pain points in the industry, the Group is committed to providing users with products featuring high safety, high reliability, high performance and cost effectiveness.

#### 1. Innovation in technologies and products

The Group is committed to continuous technological innovation in multiple dimension and maintaining its leadership in advanced materials, advanced manufacturing technologies, high performance battery and system technologies, new batteries, and battery full life cycle management, etc. to ensure the competitive advantages of its products in the application field.

- (1) In terms of advanced materials, the Group will seek to make breakthroughs in key materials such as 5V high-voltage lithium nickel-manganate materials, new ultra-fast charging silicon carbon materials, new electrolyte functional additives and new all-solid-state electrolyte materials;
- (2) In terms of advanced manufacturing, the Group will 1) develop and apply pure dry electrode manufacturing technology to further enhance product competitiveness, focusing on manufacturing cost reduction and next-generation all-solid-state batteries; 2) continue to make efforts in the direction of high-speed relying on the manufacturing technology of the first generation of cylinder battery cells and equipment capabilities, to create the next generation of high-speed cylinder battery production lines with more competitiveness; 3) carry out the pre-research and development of core engineering technologies such as electrolyte coating and cell manufacturing focusing on the mass production and large-scale application of all-solid-state battery technology, so as to prepare for the commercial application of all-solid-state batteries;

## Management Discussion and Analysis

- (3) In terms of high-performance battery technology, the Group will continuously enhance its comprehensive leading advantages in the fields of high specific energy, long battery life, high safety, high power and all-climate technology, create products with maximizing performance and minimizing cost, achieve the industrialization of the products including high-specific-energy 5C ultra-fast charging LFP battery, 6C super-charged high nickel cylinder battery, high-manganese iron lithium battery and 400Wh/kg mixed solid-liquid battery, and expand their application to new scenarios. The Group will make further breakthroughs in key technologies of energy storage cells for higher efficiency and longer life, supporting the upgrade of energy storage products and maintaining its energy storage products outperform peers all the time;
- (4) In terms of new batteries, focusing on 5V high-voltage lithium nickel-manganate battery and 450Wh/kg mixed solid-liquid battery, the Group will continue to carry out the research of key technologies, to maintain its leading advantages; develop high-energy sulphide all-solid-state batteries, break through bottlenecks in performance design and industrialization and facilitate industrial innovation and upgrading; and
- (5) In terms of battery full life cycle management, the Group will develop the battery big data technology to prevent the occurrence and leakage of defects; develop intelligent battery technology to improve battery management efficiency; develop cloud battery SOH estimation technology to reduce the risk of battery deterioration; and develop battery health diagnostic instruments to identify battery health, so as to maximise the battery's safety, reliability and energy throughput value throughout its life cycle.

### 2. Market and customer development

The Group aims to maintain its product leadership and competitive advantage based on continuous technological innovation.

With its strategic goal of global leadership, the Group will pool its efforts and resources to provide comprehensive product solutions and life-cycle management for the new energy full-scenario application market represented by EV batteries and ESS products.

Passenger vehicle market: in the domestic market, the Group will diversify customers and vehicle models in the field of BEV and HEV, enhance cooperation with existing customers in respect of new platforms and new projects, insist on the update and iteration of high-quality products and production capacity, so as to maintain the industry-leading advantages of technology and products and increase the market share. For the international market, the Group will advance the supporting projects for existing international brand customers, make full efforts to continuously develop new customers to achieve further breakthroughs in the internationalization process; continue to work alongside key domestic customers in terms of the global expansion planning strategy so as to support the export of China's new energy vehicles.

Commercial vehicle market: the Group will further deepen the overall layout and continue to tap deep into the segments including light commercial vehicle, new energy heavy truck and passenger vehicle; deepen the cooperation with leading players in the commercial vehicle industry. The Group will seize the fast-growing market demand for new energy light trucks and new energy heavy trucks to increase its market share, and expand the sales of new energy heavy trucks and new energy buses taking advantage of the favorable policies such as “old for new” issued by the Ministry of Transport, Ministry of Finance and other ministries and commissions of the PRC. The Group will vigorously expand into emerging markets including ship, rail transit and mining and provide various product solutions with high-safety, high-reliability and high-performance. The Group will strive to get highly recognized by the customers with our leading technology, outstanding quality and extraordinary service and will join hands with strategic customers to carry out the forward product development and create full-scenario applications, so as to lead the new energy development of the commercial industry.

Energy storage market: the Group will maintain its focus on the layout of new energy power generation side, grid side, customer side and other segments, and build deeper, long-term strategic cooperation with five leading government-run power enterprises, six major power industry player (the “Five Leading and Six Major”), system integrators, and leading enterprises in wind power, photovoltaic and other segments, so as to ensure that the shipments of energy storage products will achieve sustained significant growth. The Group will tap deeper into the business chain of new energy power stations and further leverage its advantages in performance, service and cost to build its brand advantage among the “Five Leading and Six Major”, and turn it into business increments. In addition, the Group will accurately match the market expansion process and product needs of system integrators, so as to further increase our share in the leading system integrator customers and double our deliveries to them. On the basis of our established power station business capabilities, we will participate in the competitive distribution business of independent power stations to increase our shipments of energy storage products through the power station business. In terms of industrial and commercial energy storage, we will explore diversified business models to achieve a rapid growth in shipments.

### 3. Internationalization

With its strategic goal of internationalization, the Group will continue to accelerate its strategic internationalization process from multiple aspects including production capacity, market and supply chain.

In terms of production capacity, the Group achieved high-quality promotion of the industrial layout in Europe as planned. Following the successful approval and inclusion into the Portugal National Interest Project (PIN) in 2023, and the completion of plant design and acquisition of land and other core ancillary resources as planned, the Group’s project in Portugal officially obtained the environmental impact assessment approval in the first quarter of 2024, laying a solid foundation for full-scale construction of the project. The Group will continue to achieve mass production as planned and ensure on-time delivery to international customers with industry-leading standard and quality. At the same time, based on the customer and market demands, the Group initiated its industrial layout for the ASEAN region during the Reporting Period.



## Management Discussion and Analysis

In terms of market, with the smooth progress of the industrial layout in Europe and ASEAN, the global delivery and supporting capabilities of EV batteries will be further improved. With the facility of the new overseas platform, the Group will comprehensively improve its overseas delivery capabilities and comprehensive service capabilities, build excellent market competitiveness and international reputation, transform technological and product advantages into global market influence, so as to support the further expansion of the Group in overseas markets.

In terms of supply chain, the Group worked closely with its existing partners to make innovation, improve efficiency and reduce costs, and continued to develop new global cooperation; at the same time, in view of the regional distribution of its global partners, the Group actively developed and expanded local industrial chain system, striving to build a diversified regional industrial synergy to make contributions to the development of the regional economy.

Adhering to the innovation-driven development strategy, the Group will firmly grasp the high-quality development, develop new quality productive force based on local demands, continuously define and expand the global market on the basis of “technologies coming from the same origin” and persistently provide global customers with a full range of optimal solutions; based on the positioning as a “battery expert”, the Group will be dedicated to the technologies and product offerings to serve the market and satisfy the customers, continue to shape a healthy ecosystem for the new energy industry, fulfil its responsibility for energy security and sustainability, and make its greatest contributions to the creation of a harmonious coexistence, a green and sustainable energy ecosystem and a better future for mankind!

## IV. Financial Review

### Overview

During the Reporting Period, the revenue of the Group increased from RMB12,294.71 million for the six months ended 30 June 2023 to RMB12,469.24 million for the six months ended 30 June 2024, representing an increase of 1.4%; the profit for the period of the Group increased from RMB266.49 million for the six months ended 30 June 2023 to RMB417.31 million for the six months ended 30 June 2024, representing an increase of 56.6%; the basic earnings per share of the Group increased from RMB0.0827 for the six months ended 30 June 2023 to RMB0.1405 for the six months ended 30 June 2024, representing an increase of 69.9%.

## Financial indicators

The key financial indicators of the Group are set out as follows:

Financial indicator	For the six months ended 30 June (unaudited)	
	2024	2023
Gross profit margin (%)	<b>15.6%</b>	9.6%
Net sales margin (%)	<b>3.3%</b>	2.2%

The gross profit margin of the Group increased by 6 percentage points from 9.6% for the six months ended 30 June 2023 to 15.6% for the six months ended 30 June 2024.

The net sales margin of the Group increased by 1.1 percentage points from 2.2% for the six months ended 30 June 2023 to 3.3% for the six months ended 30 June 2024, primarily due to the year-on-year increase in the gross profit margin of the Group.

## Revenue structure

During the Reporting Period, the Group generated revenue from the sales of EV batteries, ESS products and others. The revenue of the Group increased from RMB12,294.71 million for the six months ended 30 June 2023 to RMB12,469.24 million for the six months ended 30 June 2024, representing an increase of 1.4%. The increase was mainly due to the gradual release of the Group's production capacity, the increase in customer demands and sustained significant growth of the ESS products business.

### 1) Revenue by product

Items	For the six months ended 30 June (unaudited)			
	2024		2023	
	Revenue (RMB'000)	Percentage of revenue (%)	Revenue (RMB'000)	Percentage of revenue (%)
EV batteries	<b>9,723,980</b>	<b>78.0</b>	10,377,467	84.4
ESS products and others	<b>2,745,257</b>	<b>22.0</b>	1,917,245	15.6
<b>Total</b>	<b>12,469,237</b>	<b>100</b>	12,294,712	100

## Management Discussion and Analysis

During the Reporting Period, the revenue generated from the sales of EV batteries of the Group decreased by 6.3% from RMB10,377.47 million for the six months ended 30 June 2023 to RMB9,723.98 million for the six months ended 30 June 2024. The slight year-on-year decrease in the revenue generated from the sales of EV batteries was mainly attributable to the fact that the battery prices decreased while the sales volume increased rapidly.

During the Reporting Period, the revenue generated from the ESS products and others of the Group increased by 43.2% from RMB1,917.25 million for the six months ended 30 June 2023 to RMB2,745.26 million for the six months ended 30 June 2024. The strong increase was mainly because the ESS products business achieved sustained significant growth thanks to the Group's continuous efforts to explore the ESS segment.

### 2) Revenue by geographical location of product delivery

Items	For the six months ended 30 June (unaudited)			
	2024		2023	
	Revenue (RMB'000)	Percentage of revenue (%)	Revenue (RMB'000)	Percentage of revenue (%)
Mainland China	<b>12,238,046</b>	<b>98.1</b>	11,920,164	97.0
Overseas regions	<b>231,191</b>	<b>1.9</b>	374,548	3.0
<b>Total</b>	<b>12,469,237</b>	<b>100.0</b>	12,294,712	100.0

During the Reporting Period, the Group's revenue from Mainland China increased by 2.7% from RMB11,920.16 million for the six months ended 30 June 2023 to RMB12,238.05 million for the six months ended 30 June 2024. The increase was mainly attributable to the continuous improvement and release of the Group's production capacity and the increase in the demands for batteries of the Group's key customers from Mainland China.

During the Reporting Period, the Group's revenue from overseas regions decreased by 38.3% from RMB374.55 million for the six months ended 30 June 2023 to RMB231.19 million for the six months ended 30 June 2024. The decrease was mainly attributable to the decrease in the battery prices.

## Financial position

### 1) Assets

The total assets of the Group increased from RMB105,429.03 million as at 31 December 2023 to RMB111,262.51 million as at 30 June 2024, representing an increase of 5.5%, among which, non-current assets increased from RMB73,318.01 million as at 31 December 2023 to RMB79,279.59 million as at 30 June 2024, representing an increase of 8.1%. Such increase was mainly due to the increase in property, plant and equipment as the Group continued to invest in the projects under construction in existing production bases. Current assets decreased from RMB32,111.02 million as at 31 December 2023 to RMB31,982.92 million as at 30 June 2024, basically remaining unchanged.

### 2) Liabilities

The total liabilities of the Group increased from RMB59,043.24 million as at 31 December 2023 to RMB63,893.93 million as at 30 June 2024, representing an increase of 8.2%, among which, current liabilities decreased from RMB36,821.46 million as at 31 December 2023 to RMB35,760.64 million as at 30 June 2024, representing a decrease of 2.9%. Such decrease was mainly attributable to the decrease in trade and bills payables and accruals and other payables. Non-current liabilities increased from RMB22,221.78 million as at 31 December 2023 to RMB28,133.29 million as at 30 June 2024, representing an increase of 26.6%. Such increase was mainly due to the increase in syndicated borrowings for projects to meet the Group's capital needs for business expansion and key projects.

## Liquidity and financial resources

The operating cash inflow of the Group for the six months ended 30 June 2024 amounted to RMB1,254.97 million, representing an increase of RMB3,979.86 million as compared to the operating cash outflow of RMB2,724.89 million for the six months ended 30 June 2023, which was mainly attributable to the increase in payment collection for the period.

The bank and cash balances (including pledged and restricted bank deposits) of the Group as at 30 June 2024 were approximately RMB10,864.51 million (31 December 2023: RMB9,215.86 million).

The total borrowings of the Group as at 30 June 2024, including all bank loans, amounted to approximately RMB37,515.06 million (31 December 2023: RMB29,170.73 million). The repayment terms of approximately RMB10,801.35 million of the bank loans are due within one year and approximately RMB26,713.71 million after one year, respectively.

The Group had sufficient liquidity to meet the requirements of its daily liquidity management and capital expenditure, and to control internal operating cash flows.

# Management Discussion and Analysis

## Capital structure

The financial management department under the Group is responsible for its financial risk management, aiming to ensure that the liquidity structure of the assets, liabilities and other commitments of the Group could meet its funding needs on an ongoing basis.

The borrowings of the Group were mainly settled in Renminbi, while its cash and cash equivalents were mainly held in RMB, Euro, U.S. dollars and Hong Kong dollars. The Group planned to maintain an appropriate portfolio of equity and debt during the period to ensure an effective capital structure. As at 30 June 2024, the outstanding loans of the Group were RMB-denominated loans with approximately 3.5% of these outstanding loans bearing interest at fixed rates and the remainder at floating rates.

The Group monitored the capital structure by using the gearing ratio (i.e. net debt divided by equity), with its policies to maintain financial stability and support the sustainable, healthy and rapid development of the Group's business. Net debt includes lease liabilities, interest-bearing bank and other borrowings and is net of cash and cash equivalents, with equity being total equity. The gearing ratio of the Group as at 30 June 2024 was 61.2% (31 December 2023: 47.1%). The increase in the gearing ratio was mainly due to the increased borrowings for project construction. The Group maintained its financial stability amidst rapid business development.

## Foreign exchange risk

The business operations of our Group are principally located in Mainland China and most of its transactions are conducted in RMB. Except for certain bank balances which are denominated in Euro, U.S. dollars, Hong Kong dollars and other foreign currencies, most of the assets and liabilities are denominated in RMB. During the Reporting Period, the Group did not experience any material difficulties or impact on its operations or liquidity as a result of fluctuations in currency exchange rates. The Group believes that the Group will have sufficient foreign currencies to meet its foreign exchange needs and will take effective measures to prevent foreign exchange risks.

## Capital expenditure

During the Reporting Period, the capital expenditures of the Group for the six months ended 30 June 2024 amounted to RMB7,815.55 million (for the six months ended 30 June 2023: RMB11,991.84 million) which were mainly used for the construction of production facilities and the upgrade of existing machinery and equipment. The capital expenditures of the Group were mainly funded by the Group's own funds, funds contributed by local shareholders, bank borrowings as well as cash inflow from the operating activities of the Group.

## Capital commitments

During the Reporting Period, the capital commitments of the Group were mainly related to the acquisition of property, plant and equipment. The total of capital expenditures contracted but not incurred as at 30 June 2024 was RMB14,042.26 million (31 December 2023: RMB19,828.09 million).

### Restricted assets

As at 30 June 2024, the Group had restricted assets with a total carrying amount of RMB11,950.66 million for obtaining bank loans and other bank facilities. These assets include pledged and restricted bank deposits of RMB1,868.64 million, bills receivables of RMB183.00 million, property, plant and equipment of RMB9,136.44 million and right-of-use assets of RMB762.58 million.

### Significant investments held

As at 30 June 2024, the Group did not hold any significant investments.

### Future plans for significant investments and capital assets

As at 30 June 2024, the Group did not have any plans for significant external investments and capital assets.

### Material acquisitions and disposals of subsidiaries and associates

During the Reporting Period, the Group had no material acquisitions or disposals of subsidiaries and associates.

### Contingent liabilities

Details of contingent liabilities are set out in note 23 of the condensed consolidated financial statements.

# Corporate Governance and Other Information

## Compliance with the Corporate Governance Code

The Group is committed to maintaining a high standard of corporate governance and strives to comply with the code provisions (the “**Code Provisions**”) as set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) in Appendix C1 to the Listing Rules.

For the six months ended 30 June 2024, the Company had complied with all applicable Code Provisions of the CG Code, save for the deviation from Code Provision C.2.1 of the CG Code, which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Ms. Liu Jingyu is the chairwoman and president of the Company. The Directors believe that the roles of chairwoman and president in the same person are beneficial to ensure consistent leadership within the Group and enable the Group to formulate overall strategic planning more effectively and efficiently. The Directors also believe that the current arrangement will not impair the balance of duties and authorities and the structure will enable the Company to make decisions and implement them in a timely and effective manner. Under the leadership of Ms. Liu Jingyu, the Board functions effectively and discharges its responsibilities to discuss all important and appropriate issues in a timely manner. In addition, as all major decisions are made in consultation with members of the Board and the relevant Board committees, and the Board has three independent non-executive Directors to provide independent views, the Board considers that there are adequate safeguards to ensure an adequate balance of powers of the Board. However, the Board will review the structure and composition of the Board from time to time to maintain a high standard of corporate governance practices of the Company.

The Board will continue to review the effectiveness of the Company’s governance structure to assess whether it is necessary to separate the responsibilities of the chairman and chief executive officer.

## Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by Directors. Having made specific enquiries by the Company, the Directors have confirmed that they have complied with the Model Code during the six months ended 30 June 2024.

## Audit Committee Reviews Interim Results

The Company has established the audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and Code Provision D.3.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors including Mr. Wang Susheng, Mr. Wu Guangquan and Mr. Chen Zetong, and is currently chaired by Mr. Wang Susheng with appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

During the Reporting Period, the Audit Committee has reviewed the accounting policies adopted by the Group together with the management. The Audit Committee has also discussed matters relating to risk management, internal control, review of the appointment of auditors, auditors’ remuneration and financial reporting. The Audit Committee has reviewed and agreed on the unaudited condensed consolidated financial information for the Reporting Period.

## Legal Litigations and Compliance

The Group may be involved in various legal proceedings, arbitrations or litigations in the ordinary course of business from time to time. Save as disclosed in this report and during the Reporting Period, the Group was not involved in any legal proceedings, arbitrations or litigations which, in our opinion, would have a material adverse effect on the ordinary business, financial condition or results of operations and, to our knowledge, there is no risk of any such legal proceedings, arbitrations or administrative litigations.

## Use of Proceeds from Listing

The H Shares of the Company were listed on the Main Board of the Stock Exchange on 6 October 2022 (the “**Listing Date**”). The Company issued a total of 265,845,300 ordinary shares of RMB1.00 each at a price of HK\$38.00 per share, total proceeds from the listing amounted to HK\$10,102.12 million under the Global Offering. After deducting the underwriting fees, commissions and estimated expenses, the total net proceeds from the listing amounted to approximately HK\$9,980.10 million. The listing proceeds have been and will continue to be utilized in accordance with the plans disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus, namely:

Items	Approximate percentage of total net proceeds	Net proceeds from the listing available for use	Net unutilized as at 31 December 2023	Amount used for the six months ended 30 June 2024	Net unutilized as at 30 June 2024	Expected timeline for balance of net proceeds
	%	(in HK\$ million)	(in HK\$ million)	(in HK\$ million)	(in HK\$ million)	

To fund part of the expenditure for the construction of new production facilities of the Company in Chengdu Phase I Project, Wuhan Phase II Project, Hefei Phase I and II Project, Guangdong Jiangmen Phase I Project and Sichuan Meishan Project, totalling 95GWh of EV batteries and energy storage system production lines

80      7,984.08      837.09      183.19      653.90      By 31 December 2024

For advanced technologies research and development

10      998.01      –      –      –      N/A

For working capital and general corporate purposes

10      998.01      –      –      –      N/A

**Total**      **100**      **9,980.10**      **837.09**      **183.19**      **653.90**



## Corporate Governance and Other Information

Save as disclosed above, the Group has not utilized any other listing proceeds since the Listing Date and will continue to gradually utilize the remaining net proceeds in accordance with the intended use as set out in the Prospectus. The expected timetable is based on the Company's current best estimate of future market conditions and business operations, and will be adjusted according to the development of future market conditions and actual business needs.

### Purchase, Sale or Redemption of Listed Securities of the Company

For the six months ended 30 June 2024, neither the Group nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As of the end of the Reporting Period, the Company did not hold treasury shares.

### Interim Dividend

The Board has resolved neither to recommend the payment of an interim dividend for the six months ended 30 June 2024, nor to convert capital reserve to share capital or make other forms of distribution.

### Events after the period

After due and careful consideration, our Directors confirm that, there has been no material adverse change in financial or trading position or prospects of the Company since 30 June 2024 to the date of this report.

### Employees and Remuneration Policy

The Company has established and continuously improved the remuneration and benefit management system, optimized the salary structure, and actively built a remuneration and benefit system of "determining salary based on position and determining bonus based on contribution", featuring both external competitiveness and internal fairness. The Company builds a fair and transparent promotion platform for employees, comprehensively evaluates and analyzes employees' potential for promotion, competency, performance and values, and analyzes employees' comprehensive capabilities and potentials. The Company has established a salary adjustment system that is externally competitive, internally fair, and individually balanced to maximize the potential of the team and individuals. The Company comprehensively evaluates the achievement of the targets on the company level as well as of each system and the achievement of the labor cost targets of each system, then distributes the bonuses according to the performance contributions. The Company continues to optimize and promote the talent incentive plan, and establishes a hierarchical and classified incentive system for different employee categories to further enhance employees' sense of belonging, accomplishment and honor. As at 30 June 2024, the total number of employees of the Group was 12,286.

### Change of Particulars of Directors, Supervisors and Senior Management

Mr. Li Yunxiang resigned as a non-executive Director of the Company on 26 August 2024 due to work adjustment, with effect from 26 August 2024.

Save as disclosed in this report, during the six months ended 30 June 2024 and up to the date of this report, there has been no change in the information which was required to be disclosed by the Directors, Supervisors and members of the senior management pursuant to Rule 13.51B (1) of the Listing Rules.

### Transaction, Arrangement or Contract of Significance

Save as disclosed in this report, at any time during the six months ended 30 June 2024, no transaction, arrangement or contract of significance, to which the Company, or any of its subsidiaries was a party and in which a Director, a Supervisor or any entity in connection with any Director or Supervisor had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

### Directors, Supervisors and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2024, the long positions and short positions in our Shares, underlying Shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) our Directors, Supervisors or chief executive of our Company have or are taken or deemed to have (a) which shall be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) which will be required pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) which shall be required to be notified to us and the Stock Exchange pursuant to the Model Code (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors) are as follows:

Name of Directors, Supervisors or chief executive	Position	Nature of interests	Class of shares held	Number of shares held <sup>(1)</sup>	Percentage of shareholdings in respective class of share capital <sup>(2)</sup>	Percentage of shareholdings in the total share capital <sup>(3)</sup>
Liu Jingyu	Executive director	Beneficial owner	Domestic Shares	1,732,216	0.15%	0.10%
Dai Ying	Executive director	Beneficial owner	Domestic Shares	1,196,820	0.10%	0.07%

Notes:

- (1) All interests above represent long positions.
- (2) The percentages are calculated based on the Company's total number in the respective class of shares as at 30 June 2024 (i.e. 1,160,633,753 Domestic Shares and 611,668,105 H Shares).
- (3) The percentages are calculated based on the Company's total number of the issued shares of the Company, being 1,772,301,858 shares, as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, none of our Directors, Supervisors or chief executive of our Company had or was taken or deemed to have the long positions and short positions in our Shares, underlying Shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) (a) which shall be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) which will be required pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) which shall be required to be notified to us and the Stock Exchange pursuant to the Model Code (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors).

## Corporate Governance and Other Information

### Interests and Short Positions of Substantial Shareholders and Other Persons in the Shares and Underlying Shares of the Company

As at 30 June 2024, to the best knowledge of the Directors, the following persons (other than Directors, Supervisors or the chief executive of the Company) had the interests or short positions in the Shares or underlying Shares which shall be notified to us and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which will be required to be recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholders	Nature of Interests	Class of shares	Number of shares held <sup>(1)</sup>	Percentage of shareholdings in respective class of share capital <sup>(2)</sup>	Percentage of shareholdings in the total share capital <sup>(3)</sup>
Changzhou Jinsha Technology Investment Co., Ltd.* ("Jinsha Investment") <sup>(7)</sup>	Beneficial owner	Domestic Shares	172,255,431(L)	14.84%(L)	9.72%(L)
	Interest in controlled corporation	Domestic Shares	8,642,400(L)	0.74%(L)	0.49%(L)
	Beneficial owner	H Shares	79,874,850(L)	13.06%(L)	4.51%(L)
Changzhou Huake Engineering Construction Co., Ltd.* ("Huake Engineering") <sup>(7)</sup>	Beneficial owner	H Shares	55,897,277(L)	9.14%(L)	3.15%(L)
Changzhou Huake Technology Investment Co., Ltd.* ("Huake Investment") <sup>(7)</sup>	Beneficial owner	Domestic Shares	77,785,163(L)	6.70%(L)	4.39%(L)
Jiangsu Jintan Hualuogeng Technology Industry Development Co., Ltd.* ("Jintan Hualuogeng") <sup>(4) &amp; (7)</sup>	Interest in controlled corporation	Domestic Shares	120,546,199(L)	10.39%(L)	6.80%(L)
	Interest in controlled corporation	H Shares	55,897,277(L)	9.14%(L)	3.15%(L)
Jiangsu Jintan Investment Holding Co., Ltd.* ("Jintan Holding") <sup>(5) &amp; (6) &amp; (7)</sup>	Interest in controlled corporation	Domestic Shares	301,444,030(L)	25.97%(L)	17.01%(L)
	Others	Domestic Shares	24,000,000(L)	2.07%(L)	1.35%(L)
	Interest in controlled corporation	H Shares	135,772,127(L)	22.20%(L)	7.66%(L)
Xiamen Lihang Equity Investment Management Co., Ltd. <sup>(8)</sup>	Interest in controlled corporation	Domestic Shares	99,306,299(L)	8.56%(L)	5.60%(L)
	Interest in controlled corporation	H Shares	42,559,842(L)	6.96%(L)	2.40%(L)
Xiamen Lihang Jinzhi Equity Investment Partnership (Limited Partnership)* ("Lihang Jinzhi") <sup>(8)</sup>	Beneficial owner	Domestic Shares	99,306,299(L)	8.56%(L)	5.60%(L)
	Beneficial owner	H Shares	42,559,842(L)	6.96%(L)	2.40%(L)
Xiamen Industrial Investment Co., Ltd. ("Xiamen Industrial Investment") <sup>(9)</sup>	Beneficial owner	Domestic Shares	26,306,305(L)	2.27%(L)	1.48%(L)
	Interest in controlled corporation	Domestic Shares	99,306,299(L)	8.56%(L)	5.60%(L)
	Interest in controlled corporation	H Shares	42,559,842(L)	6.96%(L)	2.40%(L)
	Beneficial owner	H Shares	11,274,130(L)	1.84%(L)	0.64%(L)
Xiamen Jinyuan Industry Investment Group Company Limited ("Jinyuan Investment") <sup>(9)</sup>	Beneficial owner	Domestic Shares	26,306,305(L)	2.27%(L)	1.48%(L)
	Interest in controlled corporation	Domestic Shares	149,612,604(L)	12.89%(L)	8.44%(L)
	Beneficial owner	H Shares	11,274,130(L)	1.84%(L)	0.64%(L)
	Interest in controlled corporation	H Shares	66,616,541(L)	10.89%(L)	3.76%(L)

## Corporate Governance and Other Information

Name of Shareholders	Nature of Interests	Class of shares	Number of shares held <sup>(1)</sup>	Percentage of shareholdings in respective class of share capital <sup>(2)</sup>	Percentage of shareholdings in the total share capital <sup>(3)</sup>
Sichuan Chengfei Integration Technology Co., Ltd* ("Chengfei Integration") <sup>(10)</sup>	Beneficial owner	Domestic Shares	105,802,107(L)	9.12%(L)	5.97%(L)
	Beneficial owner	H Shares	45,343,760(L)	7.41%(L)	2.56%(L)
Aviation Industry Corporation of China, Ltd.* ("Aviation Industry") <sup>(10)</sup>	Interest in controlled corporation	Domestic Shares	163,970,995(L)	14.13%(L)	9.25%(L)
	Interest in controlled corporation	H Shares	45,343,760(L)	7.41%(L)	2.56%(L)
Guangdong Guangqi Ruidian Equity Investment Partnership (Limited Partnership)*	Beneficial owner	Domestic Shares	63,912,844(L)	5.51%(L)	3.61%(L)
Guotai Junan Securities Co., Ltd. <sup>(11)</sup>	Interest in controlled corporation	H Shares	46,764,100(L)	7.65%(L)	2.64%(L)
Hua An Fund Management Co., Ltd., representing HUAAN-XJ8-QDII, HUAAN-XJ10-QDII and HUAAN-XJ12-QDII <sup>(11)</sup>	Others	H Shares	42,831,600(L)	7.00%(L)	2.42%(L)
Huatai Securities Co., Ltd <sup>(12)</sup>	Interest in controlled corporation	H Shares	31,931,800(L)	5.22%(L)	1.80%(L)
	Interest in controlled corporation	H Shares	5,486,200(S)	0.90%(S)	0.31%(S)

### Notes:

- (1) (L), (S) and (P) represent long position, short position and lending pool respectively.
- (2) The percentages are calculated based on the Company's total number in the respective class of shares as at 30 June 2024 (i.e. 1,160,633,753 Domestic Shares and 611,668,105 H Shares).
- (3) The percentages are calculated based on the Company's total number of the issued shares of the Company as at 30 June 2024 (i.e. 1,772,301,858 shares).
- (4) Each of Huake Engineering and Huake Investment is wholly owned by Jintan Hualuogeng. Jintan Hualuogeng is deemed to be interested in the Shares held by each of Huake Engineering and Huake Investment under the SFO.
- (5) Jinsha Investment is wholly owned by Jintan Holding. Jintan Hualuogeng is owned as to 90% by Jintan Holding. Jintan Holding is a state-owned enterprise and controlled by the Government of Jintan District. Jintan Holding is deemed to be interested in the Shares held by each of Jinsha Investment, Huake Engineering and Huake Investment under the SFO.
- (6) The investment by Jintan International in our Company was made in accordance with the instructions of Jintan Holding and Jintan International exercises its voting rights in our Company in accordance with the instructions of Jintan Holding.
- (7) Jinsha Investment, Huake Engineering, Huake Investment, Jintan International, Jintan Hualuogeng and Jintan Holding are a group of largest Shareholders and directly or indirectly control an aggregate of approximately 26.02% of our Company's voting rights.
- (8) Lihang Jinzhi is a limited partnership established under the laws of the PRC with Xiamen Lihang Equity Investment Management Co., Ltd.\* (廈門鋰航股權投資管理有限公司) being its general partner and Xiamen Industrial Investment being its limited partner. According to the partnership agreement of Lihang Jinzhi which provides, among other things, that the investment decision committee of Lihang Jinzhi shall comprise three members, of which Xiamen Industrial Investment shall be entitled to nominate two members, and Xiamen Industrial Investment exercises de facto control of Lihang Jinzhi. As such, Xiamen Industrial Investment is deemed to be interested in the Shares held by Lihang Jinzhi under the SFO. Xiamen Industrial Investment directly owns approximately 2.12% interests in our Company and therefore Xiamen Industrial Investment directly and indirectly controls an aggregate of approximately 10.13% of our Company's voting rights.

## Corporate Governance and Other Information

- (9) Xiamen Industrial Investment is a wholly owned subsidiary of Jinyuan Investment and as such Jinyuan Investment is deemed to be interested in all the Shares held by Lihang Jinzhi and Xiamen Industrial Investment under the SFO. Moreover, each of Xiamen Jinli No. 2 and Jinli Investment owns approximately 1.35% and 0.72% interests in our Company respectively. Xiamen Jinli No. 2 is a limited partnership with Xiamen City Jinyuan Equity Investment Co., Ltd\* (廈門市金圓股權投資有限公司) being its general partner. Xiamen City Jinyuan Equity Investment Co., Ltd\* is ultimately controlled by Jinyuan Investment. Jinli Investment is a limited partnership with Jinyuan Capital Management (Xiamen) Co., Ltd\* (金圓資本管理(廈門)有限公司) being its general partner. Jinyuan Capital Management (Xiamen) Co., Ltd\* is ultimately controlled by Jinyuan Investment. As such, Jinyuan Investment is also deemed to be interested in the Shares held by each of Xiamen Jinli No. 2 and Jinli Investment under the SFO. Jinyuan Investment directly owns approximately 2.12% interests in our Company and therefore Jinyuan Investment directly and indirectly controls an aggregate of approximately 14.32% of our Company's voting rights.
- (10) Chengfei Integration is a joint stock limited company whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 002190) and ultimately controlled by AVIC. As such, AVIC is deemed to be interested in the Shares held by Chengfei Integration under the SFO. Moreover, each of Aviation Industry Integration Fund, Missile Academy, Aviation Investment and Hongdu Airline owns approximately 0.68%, 0.55%, 0.09% and 0.08% interests in our Company respectively, and each of the above companies and partnerships is ultimately controlled by AVIC, which is also deemed to be interested in the Shares held by such companies and partnerships under the SFO. Therefore, AVIC indirectly controls an aggregate of approximately 9.93% of our Company's voting rights.
- (11) HuaAn Fund Management Co., Ltd is the asset manager of (1) HUAAN-XJ8-QDII—SINGLE ASSET MANAGEMENT PLAN, (2) HUAAN-XJ10-QDII—SINGLE ASSET MANAGEMENT PLAN and (3) HUAAN-XJ12-QDII—SINGLE ASSET MANAGEMENT PLAN and is deemed to be interested in the Shares held by abovementioned three assets management plans under the SFO. Guotai Junan Securities Co., Ltd. held 51% of the equity interest in HuaAn Fund Management Co., Ltd and is deemed to be interested in the Shares held by HuaAn Fund Management Co. under the SFO.
- (12) Huatai Securities Co., Ltd. held 100% interests in Huatai International Financial Holdings Company Limited. Huatai International Financial Holdings Company Limited held 100% interests in Huatai Financial Holdings (Hong Kong) Limited and Huatai Capital Investment Limited. Huatai Financial Holdings (Hong Kong) Limited held 7,043,100 H Shares in long position. Huatai Capital Investment Limited held 24,888,700 H Shares in long position and 5,486,200 H Shares in short position. Therefore, Huatai International Financial Holdings Company Limited is deemed to be interested in 31,931,800 H Shares in long position and 5,486,200 H Shares in short position and Huatai Securities Co., Ltd. is deemed to be interested in 31,931,800 H Shares in long position and 5,486,200 H Shares in short position under the SFO.

Pursuant to Section 336 of the SFO, the Shareholders are required to file disclosure of interests forms when certain criteria are fulfilled. When a Shareholder's shareholding in the Company changes, it is not necessary for the Shareholder to notify the Company and the Stock Exchange unless certain criteria are fulfilled, therefore the Shareholder's latest shareholding in the Company may be different to the shareholding filed with the Stock Exchange.

Save as disclosed above, as at 30 June 2024, the Directors were not aware of any persons (other than the Directors, Supervisors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or to be recorded in the register required to be kept by the Company under section 336 of the SFO.

### DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, at no time during the Reporting Period was the Company or any of its subsidiaries or holding company or any subsidiary of the Company's holding company, a party to any arrangement that would enable Directors or Supervisors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or the Supervisors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

# Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024

	Note	Unaudited	
		Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
<b>Revenue</b>	6	12,469,237	12,294,712
Cost of sales		<u>(10,521,107)</u>	<u>(11,115,647)</u>
<b>Gross profit</b>		1,948,130	1,179,065
Investment and other income	7	145,957	118,549
Other losses, net	8	(140,025)	(321,128)
Selling expenses		(204,963)	(107,842)
Administrative expenses		(517,537)	(313,052)
Research and development expenses		(542,225)	(170,571)
Impairment losses on trade and bills receivables		(31,185)	(20,615)
Reversal of impairment losses on prepayments, deposits and other receivables		<u>622</u>	<u>370</u>
<b>Profit from operations</b>		658,774	364,776
Finance costs		(297,536)	(138,290)
Share of losses of associates		<u>(114)</u>	<u>(18)</u>
<b>Profit before tax</b>		361,124	226,468
Income tax credit	9	<u>56,182</u>	<u>40,019</u>
<b>Profit for the period</b>	10	<u>417,306</u>	<u>266,487</u>
<b>Attributable to:</b>			
Owners of the Company		248,987	146,517
Non-controlling interests		<u>168,319</u>	<u>119,970</u>
		<u>417,306</u>	<u>266,487</u>
<b>Earnings per share (expressed in RMB per share)</b>	12		
Basic		<u>0.1405</u>	<u>0.0827</u>
Diluted		<u>0.1405</u>	<u>0.0827</u>

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Profit for the period</b>	417,306	266,487
<b>Other comprehensive expense:</b>		
Items that will not be reclassified to profit or loss:		
Fair value changes of equity instruments at fair value through other comprehensive income ("FVTOCI")	(70,857)	(9,847)
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	(3,482)	791
<b>Other comprehensive expense for the period, net of tax</b>	(74,339)	(9,056)
<b>Total comprehensive income for the period</b>	342,967	257,431
<b>Attributable to:</b>		
Owners of the Company	174,648	137,461
Non-controlling interests	168,319	119,970
	342,967	257,431

# Condensed Consolidated Statement of Financial Position

At 30 June 2024

		Unaudited 30 June 2024	Audited 31 December 2023
	Note	RMB'000	RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	13	73,252,040	67,694,816
Right-of-use assets	14	1,774,966	1,786,328
Intangible assets	15	1,399,601	1,358,099
Investments in associates		16,080	16,194
Other financial assets		757,740	639,267
Deposits paid for acquisition of property, plant and equipment	17	1,372,085	1,255,202
Deferred tax assets		707,079	568,099
		<u>79,279,591</u>	<u>73,318,005</u>
<b>Current assets</b>			
Inventories		4,581,742	7,125,768
Trade and bills receivables	16	8,420,192	6,829,306
Prepayments, deposits and other receivables	17	7,109,258	8,536,035
Amounts due from related parties	18	304,993	232,585
Other financial assets		702,227	143,676
Current tax assets		–	27,790
Pledged bank deposits		1,868,342	1,381,631
Restricted bank balances		302	267
Bank and cash balances		8,995,866	7,833,962
		<u>31,982,922</u>	<u>32,111,020</u>
<b>Current liabilities</b>			
Trade and bills payables	19	17,814,321	19,958,859
Accruals and other payables		6,426,185	7,513,703
Contract liabilities		183,255	616,955
Amounts due to related parties	18	357,043	425,700
Lease liabilities		24,339	17,036
Bank borrowings		10,801,343	8,114,805
Provisions		134,967	98,678
Current tax liabilities		19,189	75,725
		<u>35,760,642</u>	<u>36,821,461</u>
<b>Net current liabilities</b>		<u>(3,777,720)</u>	<u>(4,710,441)</u>
<b>Total assets less current liabilities</b>		<u>75,501,871</u>	<u>68,607,564</u>



# Condensed Consolidated Statement of Financial Position

At 30 June 2024

		Unaudited 30 June 2024	Audited 31 December 2023
	Note	RMB'000	RMB'000
<b>Non-current liabilities</b>			
Deferred income		251,452	192,846
Lease liabilities		70,305	65,765
Bank borrowings		26,713,712	21,055,929
Provisions		1,088,600	895,286
Deferred tax liabilities		9,218	11,948
		<u>28,133,287</u>	<u>22,221,774</u>
<b>NET ASSETS</b>		<u>47,368,584</u>	<u>46,385,790</u>
<b>Capital and reserves</b>			
Equity attributable to owners of the Company			
Share capital	21	1,772,302	1,772,302
Reserves		<u>33,063,560</u>	<u>32,873,598</u>
		<u>34,835,862</u>	<u>34,645,900</u>
Non-controlling interests		<u>12,532,722</u>	<u>11,739,890</u>
<b>TOTAL EQUITY</b>		<u>47,368,584</u>	<u>46,385,790</u>

Approved by the Board of Directors on 29 August 2024:

Ms. LIU Jingyu

Mr. DAI Ying

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to owners of the Company											
	Share capital/paid-in capital (Note 21)	Capital reserve	Merger reserve	Safety production fund	Contribution from shareholder	Exchange reserve	Put option reserve	Financial assets at FVTOCI reserve	Retained earnings	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	RMB'000	RMB'000
<b>At 1 January 2023 (audited)</b>	<u>1,772,302</u>	<u>32,455,446</u>	<u>8,058</u>	<u>-</u>	<u>98,980</u>	<u>(7,653)</u>	<u>(261,157)</u>	<u>(120,654)</u>	<u>433,996</u>	<u>34,379,318</u>	<u>7,196,141</u>	<u>41,575,459</u>
Total comprehensive income for the period	-	-	-	-	-	791	-	(9,847)	146,517	137,461	119,970	257,431
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	3,090,000	3,090,000
Share-based payments (note 20)	-	-	-	-	20,705	-	-	-	-	20,705	-	20,705
Share issue expenses	-	(37,570)	-	-	-	-	-	-	-	(37,570)	-	(37,570)
Safety production fund	-	-	-	5,143	-	-	-	-	(5,143)	-	-	-
Changes in equity for the period	<u>-</u>	<u>(37,570)</u>	<u>-</u>	<u>5,143</u>	<u>20,705</u>	<u>791</u>	<u>-</u>	<u>(9,847)</u>	<u>141,374</u>	<u>120,596</u>	<u>3,209,970</u>	<u>3,330,566</u>
<b>At 30 June 2023 (unaudited)</b>	<u>1,772,302</u>	<u>32,417,876</u>	<u>8,058</u>	<u>5,143</u>	<u>119,685</u>	<u>(6,862)</u>	<u>(261,157)</u>	<u>(130,501)</u>	<u>575,370</u>	<u>34,499,914</u>	<u>10,406,111</u>	<u>44,906,025</u>
<b>At 1 January 2024 (audited)</b>	<u>1,772,302</u>	<u>32,418,662</u>	<u>8,058</u>	<u>12,606</u>	<u>139,611</u>	<u>(8,966)</u>	<u>(261,157)</u>	<u>(150,020)</u>	<u>714,804</u>	<u>34,645,900</u>	<u>11,739,890</u>	<u>46,385,790</u>
Total comprehensive income for the period	-	-	-	-	-	(3,482)	-	(70,857)	248,987	174,648	168,319	342,967
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	619,600	619,600
Share-based payments (note 20)	-	-	-	-	20,227	-	-	-	-	20,227	-	20,227
Safety production fund	-	-	-	12,604	-	-	-	-	(17,517)	(4,913)	4,913	-
Changes in equity for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,604</u>	<u>20,227</u>	<u>(3,482)</u>	<u>-</u>	<u>(70,857)</u>	<u>231,470</u>	<u>189,962</u>	<u>792,832</u>	<u>982,794</u>
<b>At 30 June 2024 (unaudited)</b>	<u>1,772,302</u>	<u>32,418,662</u>	<u>8,058</u>	<u>25,210</u>	<u>159,838</u>	<u>(12,448)</u>	<u>(261,157)</u>	<u>(220,877)</u>	<u>946,274</u>	<u>34,835,862</u>	<u>12,532,722</u>	<u>47,368,584</u>

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<u>1,254,970</u>	<u>(2,724,886)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	64,351	77,688
Dividend received from other financial assets	1,660	–
Deposits paid for acquisition of property, plant and equipment	(137,607)	(1,794,063)
Payments of property, plant and equipment	(7,567,765)	(11,705,816)
Proceeds from disposals of property, plant and equipment	4,232	1,490
Received government grants in relation to assets	67,956	4,000
Payments of right-of-use assets	–	(227,497)
Addition of intangible assets	(110,178)	(58,530)
Investment in limited partnership	(127,595)	(66,000)
Purchase of other financial assets	(3,233,716)	(87,756)
Proceeds from disposal of other financial assets	2,600,620	67,756
Decrease in amounts due from related parties	17	–
Decrease in pledged bank deposits	29,769	100,050
(Increase)/decrease in restricted bank balances	(35)	42
Net cash used in investing activities	<u>(8,408,291)</u>	<u>(13,688,636)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from bank borrowings	8,379,072	11,246,646
Principal elements of lease payments	(7,140)	(6,428)
Capital contribution from non-controlling interests	619,600	3,090,000
Share issue expenses	–	(4,965)
Interest paid	(664,905)	(431,406)
Net cash generated from financing activities	<u>8,326,627</u>	<u>13,893,847</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>1,173,306</u>	<u>(2,519,675)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>7,833,962</u>	<u>10,931,814</u>
Effect of foreign exchange rate changes	(11,402)	32,655
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>8,995,866</u>	<u>8,444,794</u>
<b>ANALYSIS OF THE CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	<u>8,995,866</u>	<u>8,444,794</u>

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 1. General Information

CALB Group Co., Ltd. (中創新航科技集團股份有限公司) is a joint stock limited company registered in the People's Republic of China (the "PRC"). The Company's H shares have been listed on The Stock Exchange of Hong Kong Limited since 6 October 2022. The address of its registered office and its principal place of business is No. 1 Jiangdong Avenue, Jintan District, Changzhou City, Jiangsu Province, the PRC.

The Group has been engaging in the design, research and development, production and sales of EV batteries and ESS products.

The condensed consolidated financial statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated.

## 2. Basis of Preparation

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accountant Standard Board (the "IASB") and applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the Company for the year ended 31 December 2023 ("2023 Annual Report"), which have been prepared in accordance with IFRS Accounting Standards issued by IASB. Except as described below, the accounting policies (including the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the 2023 Annual Report.

## 3. New and Amended IFRS Accounting Standards

### A. New and amended IFRS Accounting Standards adopted by the Group

The Group has applied the following amendments for the first time from 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1;
- Lease Liability in Sale and Leaseback – Amendments to IFRS 16; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 3. New and Amended IFRS Accounting Standards (cont'd)

### A. New and amended IFRS Accounting Standards adopted by the Group (cont'd)

As a result of the adoption of the amendments to IAS 1, the Group changed its accounting policy for the classification of borrowings as below:

*"Borrowings are classified as current liabilities unless at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period."*

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to IAS 1.

Except for those as mentioned above, the Group did not change its accounting policies or make retrospective adjustments as a result of adopting other amended standards or revised interpretation.

### B. Impact of new and amended IFRS Accounting Standards issued but not yet adopted by the Group

In August 2023, IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. The management does not expect the amendment to have a material impact on the consolidated financial statements.

In April 2024, IASB issued IFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The management is currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

## 4. Fair Value Measurements

Except as disclosed below, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

The following table shows the carrying amounts and fair value of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 4. Fair Value Measurements (cont'd)

(a) Disclosure of level in fair value hierarchy:

	Fair value measurements using:			As at
	Level 1	Level 2	Level 3	30 June
	RMB'000	RMB'000	RMB'000	2024
	(unaudited)	(unaudited)	(unaudited)	(unaudited)

#### Recurring fair value measurements:

##### Financial assets

Financial assets at FVTOCI

– Certificate of deposits	–	514,346	–	514,346
– Investment in a listed equity security	109,699	–	–	109,699
– Investment in unlisted equity securities	–	–	478,846	478,846

Financial assets at fair value through profit or loss (“FVTPL”)

– Investments in a listed equity security	31,287	–	–	31,287
– Investment in unlisted debt instruments	–	50,000	275,789	325,789

	<u>140,986</u>	<u>564,346</u>	<u>754,635</u>	<u>1,459,967</u>
--	----------------	----------------	----------------	------------------

	Fair value measurements using:			As at
	Level 1	Level 2	Level 3	31 December
	RMB'000	RMB'000	RMB'000	2023
	(audited)	(audited)	(audited)	(audited)

#### Recurring fair value measurements:

##### Financial assets

Financial assets at FVTOCI

– Certificate of deposits	–	104,926	–	104,926
– Investment in a listed equity security	193,060	–	–	193,060
– Investment in an unlisted equity security	–	–	296,793	296,793

Financial assets at FVTPL

– Investments in a listed equity security	38,750	–	–	38,750
– Investment in an unlisted debt instrument	–	–	149,414	149,414

	<u>231,810</u>	<u>104,926</u>	<u>446,207</u>	<u>782,943</u>
--	----------------	----------------	----------------	----------------

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 4. Fair Value Measurements (cont'd)

#### (b) Reconciliation of assets measured at fair value based on level 3:

	Financial assets at FVTPL - Investment in unlisted debt instruments RMB'000 (unaudited)	Financial assets at FVTOCI - Investment in unlisted equity securities RMB'000 (unaudited)	2024 Total RMB'000 (unaudited)
At 1 January	149,414	296,793	446,207
Total gains or losses recognised			
in profit or loss	(1,220)	–	(1,220)
in other comprehensive income	–	2,115	2,115
Purchases	127,595	179,938	307,533
At 30 June	275,789	478,846	754,635

During the six months ended 30 June 2024 and 2023, there were no transfer into or out of level 3 fair value measurements.

The total gains or losses recognised in other comprehensive income are presented in fair value changes of equity instruments at fair value through other comprehensive income (FVTOCI) in the condensed consolidated statement of profit or loss and other comprehensive income.

The total gains or losses recognised in profit or loss including those for assets held at end of reporting period are presented in other losses, net in the condensed consolidated statement of profit or loss.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 4. Fair Value Measurements (cont'd)

### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Group's financial controller is responsible for the fair value measurements of financial assets and financial liabilities required for financial reporting purposes, including level 2 and level 3 fair value measurements. The financial controller reports directly to the Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Directors at least once a year.

For level 2 fair value measurements, specific valuation techniques the Group to evaluate the financial assets include the annual interest rates for certificate of deposits.

#### Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Effect on fair value for increase of inputs	Fair value	
				30 June 2024	31 December 2023
				RMB'000	RMB'000
Investment in unlisted debt instruments classified as financial assets at FVTPL	Net assets value of underlying investment	Net assets	Increase	275,789	149,414
Investment in unlisted equity securities classified as financial assets at FVTOCI	Net assets value of underlying investment	Net assets	Increase	478,846	296,793

There were no changes in the valuation techniques used.

## 5. Segment Information

The Group is mainly engaged in the design, research and development, production and sales of EV batteries and ESS products in the PRC, and all the assets are substantially located in the PRC. Accordingly, there is only one single business reportable segment which is regularly reviewed by the chief operating decision maker.

## 6. Revenue

The Group's operation and main revenue streams are those described in the 2023 Annual Report. The Group's revenue is derived from contracts with customers.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 6. Revenue (cont'd)

### Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the periods is as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000 (unaudited)	RMB'000 (unaudited)
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Sales of EV batteries	9,723,980	10,377,467
Sales of ESS products and others	2,745,257	1,917,245
	<u>12,469,237</u>	<u>12,294,712</u>

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

For the six months ended 30 June	Sales of EV battery		Sales of ESS products and others		Total	
	2024	2023	2024	2023	2024	2023
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
Primary geographic markets						
– Mainland China	9,560,146	10,264,880	2,677,900	1,655,284	12,238,046	11,920,164
– Europe	46,876	35,800	6,927	58,142	53,803	93,942
– Asia	103,554	72,361	52,832	183,419	156,386	255,780
– America	11,671	3,766	7,598	20,400	19,269	24,166
– Others	1,733	660	–	–	1,733	660
Revenue from external customers	<u>9,723,980</u>	<u>10,377,467</u>	<u>2,745,257</u>	<u>1,917,245</u>	<u>12,469,237</u>	<u>12,294,712</u>
Timing of revenue recognition						
Products transferred at a point in time	9,723,980	10,377,467	2,721,566	1,912,994	12,445,546	12,290,461
Products and services transferred over time	–	–	23,691	4,251	23,691	4,251
Total	<u>9,723,980</u>	<u>10,377,467</u>	<u>2,745,257</u>	<u>1,917,245</u>	<u>12,469,237</u>	<u>12,294,712</u>

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 7. Investment and Other Income

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest income on:		
Bank deposits	64,748	69,541
Financial assets at FVTOCI	5,865	8,147
<b>Total interest income</b>	<b>70,613</b>	<b>77,688</b>
Government grants and subsidies (note)	15,553	33,216
Cash discount income	52,279	–
Compensation from suppliers	6,435	5,820
Insurance compensation income	854	979
Others	223	846
	<b>145,957</b>	<b>118,549</b>

Note:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Research and development subsidies	705	14,720
Subsidies on industry development	1,739	17,052
Tax concession	11,867	–
Others	1,242	1,444
	<b>15,553</b>	<b>33,216</b>

The government subsidies as set out above were received for compensation for or reimbursement of costs or expenses previously incurred and recognised in profit or loss in the current period in which they became receivable.

Apart from above, the Group has recognised government grants of approximately RMB248 million (2023: RMB1,755 million) in total during the six months period ended 30 June 2024, which were accounted for in accordance with the accounting policies as set forth in note 4(aa) to the 2023 annual report. These government grants, mostly being income-related, were used to offset the related operating costs and expenses or deduct from the carrying value of the related property, plant and equipment if they are asset-related. There were no conditions attached to these government grants that were unfulfilled as at the end of the reporting period.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 8. Other losses, net

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Allowance for inventories	(126,574)	(330,587)
Fair value change in financial assets at FVTPL	(8,682)	(32,003)
Dividend income from financial assets at FVTPL held at the end of the period	1,660	–
Net foreign exchange (losses)/gains	(5,855)	41,069
Net (loss)/gain on disposal of property, plant and equipment	(574)	163
Net gain on lease modification	–	230
	<u>(140,025)</u>	<u>(321,128)</u>

## 9. Income tax credit

Income tax credit has been recognised in profit or loss as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax – PRC		
Provision for the period	(73,439)	(51,146)
Current tax – Others		
Provision for the period	(51)	(36)
	<u>(73,490)</u>	<u>(51,182)</u>
Deferred tax	<u>129,672</u>	<u>91,201</u>
	<u>56,182</u>	<u>40,019</u>

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 9. Income tax credit (cont'd)

Under the relevant income tax law, the PRC subsidiaries are subject to Enterprise Income Tax ("EIT") at a statutory rate of 25% on their respective taxable income during the periods.

The Company and certain subsidiaries operating in Mainland China were approved to be high and new technology enterprises and were entitled to a reduced EIT rate of 15%. The high and new technology enterprises certificates need to be renewed every three years so as to enable the Company and those subsidiaries to enjoy the reduced EIT rate of 15%.

## 10. Profit for the period

The Group's profit for the periods is arrived after charging/(crediting) the following:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Allowance for inventories	126,574	330,587
Amortisation of intangible assets	82,457	77,168
Cost of inventories sold	10,521,107	11,115,647
Depreciation of property, plant and equipment	949,230	715,810
Depreciation of right-of-use assets	28,529	32,750
Employee benefit expenses (including Directors' emoluments):		
Salaries, bonus and allowances	805,155	1,107,813
Equity-settled share-based payments	20,227	20,705
Retirement benefit scheme contribution	67,514	84,622
Net loss/(gain) on disposals of property, plant and equipment	574	(163)
Net gain on lease modification	–	(230)
Impairment loss on trade and bills receivables	31,185	20,615
Reversal of impairment loss on prepayments, deposits and other receivables	(622)	(370)

## 11. Dividends

The Directors do not recommend the payment of any interim dividend for the six months period ended 30 June 2024 (2023: Nil).

## 12. Earnings per share

The calculation of the basic earnings per share during the periods is based on the profit for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares in issue or deemed to be in issue.

### (a) Basic earnings per share

For the six months ended 30 June 2024 and 2023, the calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company of approximately profit of RMB248,987,000 (unaudited) and profit of RMB146,517,000 (unaudited) respectively and the weighted average number of ordinary shares of approximately 1,772,302,000 (unaudited) and 1,772,302,000 (unaudited) in issue during the respective periods.

### (b) Diluted earnings per share

No diluted earnings per share was presented as the Company did not have any dilutive potential ordinary shares during the periods.

## 13. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired property, plant and equipment of approximately RMB6,533,777,000 (2023: RMB15,723,152,000).

## 14. Right-of-use assets

During the six months ended 30 June 2024, the Group leases various factories and office premises for its operations. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable. On lease commencement, the Group recognised RMB15,184,000 (2023: RMB5,431,000) of right-of-use assets and lease liabilities for the factories and office premises.

During the six months ended 30 June 2024, the Group acquired land use right of RMB Nil (2023: RMB227,497,000).

## 15. Intangible assets

During the six months ended 30 June 2024, the Group acquired intangible assets of approximately RMB112,017,000 (2023: RMB58,530,000).

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 16. Trade and bills receivables

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
<b>Trade receivables</b>		
Receivables from third parties	7,375,397	5,084,887
Due from related parties (note 18)	52,992	74,964
Allowance for doubtful debts	<u>(119,824)</u>	<u>(88,639)</u>
	7,308,565	5,071,212
Bills receivables	<u>1,111,627</u>	<u>1,758,094</u>
	<u>8,420,192</u>	<u>6,829,306</u>

The credit terms, being granted to independent third parties, are generally within 90 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

The aging analysis of trade receivables based on the invoice date, and net of allowance is as follows:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
0 to 180 days	6,210,090	4,808,770
181 to 365 days	966,477	70,292
1 to 2 years	130,416	191,698
Over 2 years	<u>1,582</u>	<u>452</u>
	<u>7,308,565</u>	<u>5,071,212</u>

Reconciliation of allowance for trade receivables:

	2024 RMB'000 (unaudited)	2023 RMB'000 (audited)
At 1 January	88,639	27,876
Allowance for the period/year, net	<u>31,185</u>	<u>60,763</u>
At 30 June/31 December	<u>119,824</u>	<u>88,639</u>

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 17. Prepayments, deposits and other receivables

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Deposits paid for acquisition of property, plant and equipment	1,372,085	1,255,202
Prepayments	1,506,800	1,321,990
Other tax receivables	3,938,157	4,725,566
Government subsidies receivable	1,590,000	2,390,000
Other deposits	60,465	54,800
Other receivables	13,836	43,679
	<u>8,481,343</u>	<u>9,791,237</u>
Analysed as:		
Non-current assets	1,372,085	1,255,202
Current assets	<u>7,109,258</u>	<u>8,536,035</u>
	<u>8,481,343</u>	<u>9,791,237</u>

Reconciliation of allowances for prepayments, deposits and other receivables:

	2024 RMB'000 (unaudited)	2023 RMB'000 (audited)
At 1 January	6,956	7,836
Allowance for the period/year	<u>(622)</u>	<u>(880)</u>
At 30 June/31 December	<u>6,334</u>	<u>6,956</u>



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 18. Balances with related parties

	Note	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Trade receivables			
– 中航鋰電(洛陽)有限公司 China Lithium Battery Technology (Luoyang) Co., Ltd.* (“ <b>Luoyang Company</b> ”)	16	<u>52,992</u>	<u>74,964</u>
Amounts due from related parties			
Trade-related:			
– Luoyang Company	(iii)	304,993	232,568
Non-trade related:			
– 常州華科工程建設有限公司 Changzhou Huake Engineering Construction Co., Ltd.* (“ <b>Huake Engineering</b> ”)		<u>–</u>	<u>17</u>
		<u>304,993</u>	<u>232,585</u>
Trade payables			
– Luoyang Company	19	<u>–</u>	<u>230</u>
Amount due to related parties			
Trade related:			
– Luoyang Company		30,696	–
– Huake Engineering		<u>2,202</u>	<u>–</u>
		<u>32,898</u>	<u>–</u>
Amounts due to related parties			
Non-trade related:			
– 江蘇城東建設工程有限公司 Jiangsu Chengdong Construction Projects Co., Ltd.* (“ <b>Jiangsu Chengdong Construction</b> ”)		324,005	425,560
– Huake Engineering		<u>140</u>	<u>140</u>
		<u>324,145</u>	<u>425,700</u>
Total amounts due to related parties		357,043	425,700
Less: amounts due to related parties – current portion		<u>(357,043)</u>	<u>(425,700)</u>
Amounts due to related parties – non-current portion		<u>–</u>	<u>–</u>

\* The official names of these entities are in Chinese. The English translation of the names are for identification purpose only.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 18. Balances with related parties (cont'd)

Notes:

- (i) The trade-related outstanding balances with related parties are unsecured, non-interest bearing and repayable within credit term of 180 days.
- (ii) The non-trade related balances with related parties are unsecured, non-interest bearing and repayable on demand.
- (iii) The balance represents the prepayment for the purchase of goods in accordance with the contractual term.

## 19. Trade and bills payables

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
<b>Trade payables</b>		
Payables to third parties	7,233,460	8,233,408
Due to related parties (note 18)	—	230
	<u>7,233,460</u>	<u>8,233,638</u>
Bills payables	10,580,861	11,725,221
	<u>17,814,321</u>	<u>19,958,859</u>

As at 30 June 2024, bills payables were secured by bills receivables of RMB183,000,000 (31 December 2023: RMB295,713,000) and pledged bank deposits of RMB1,454,284,000 (31 December 2023: RMB938,539,000), respectively.

The aging analysis of trade payables, based on the date of receipt of goods is as follows:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
0 to 180 days	7,216,673	8,215,702
181 to 365 days	9,185	17,928
1 to 2 years	7,602	8
	<u>7,233,460</u>	<u>8,233,638</u>

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 20. Share-Based Payments

During the year ended 31 December 2019, the Company approved and adopted a share incentive scheme (“**2019 Share Incentive Scheme**”) involving 6 senior management, namely, Ms. Liu Jingyu, Dr. Pan Fangfang, Mr. Dai Ying, Mr. Geng Yan’an, Mr. Wang Xiaoqiang and Mr. He Fan (collectively, the “**Six Senior Management**”). The purposes of the 2019 Share Incentive Scheme are to stimulate the enthusiasm and creativity of the Six Senior Management, enhance their sense of responsibility and mission of achieving the Company’s long-term sustainable and healthy development, and ensure the realization of the Company’s strategic goals.

The Six Senior Management have formed a limited company, Xiamen Lihang Equity Investment (“**Share Incentive Vehicle**”). A limited partnership company, Lihang Jinzhi (“**Partnership**”) was formed, and the Share Incentive Vehicle and a related entity of a government shareholder of the Company (“**Xiamen Industrial Investment**”) were required to contribute RMB10 million and RMB1,500 million, respectively, to the Partnership. After that, the Partnership has subscribed for registered capital of the Company.

The Partnership has a prescribed operation period of 10 years, and all investment proceeds of it (after deducting expenses and tax), including all distribution, interest and dividend from the Company will be distributed to the Share Incentive Vehicle and the Xiamen Industrial Investment in the following manner:

- (a) Distribute to the Share Incentive Vehicle and the Xiamen Industrial Investment proportionally to their capital contribution of the Partnership until they fully recover their capital contributions to it;
- (b) Any investment proceeds in excess of (a) above will be firstly distributed to the Xiamen Industrial Investment in an amount that represent 6% annual return to its capital contribution to the Partnership;
- (c) 2 years after all legal and regulatory requirements for freely disposing the Partnership’s equity interest in the Company are fulfilled, and after the distributions in (a) and (b) above, the Partnership shall dispose of all its equity interest in the Company. 20% of the net proceeds from the disposal will be distributed to the Share Incentive Vehicle and the remaining 80% will be distributed to the Xiamen Industrial Investment.

The manner of distribution above enables the Six Senior Management to receive possible future cash proceeds, through the Share Incentive Vehicle, that are disproportionate to their share of capital injections into the Partnership and the amount of such future cash proceeds to be received by the Share Incentive Vehicle will depend on many factors including future price of the Company’s equity, vesting date and other factors.

The awards of the 2019 Share Incentive Scheme have been accounted for as equity-settled share-based payment. The management estimated the fair value of the awards and the length of the vesting period at grant date. The date of vesting will need to be re-estimated at each reporting date. The share-based payment expense will be recognised over the vesting period with a corresponding credit to equity of the condensed consolidated statement of financial position as a capital contribution from a government shareholder of the Company.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 20. Share-Based Payments (cont'd)

Independent professional valuer was engaged to assist the management to determine the grant date fair value of the awards by binomial tree method with the following assumptions and inputs:

– Vesting date initially estimated	30 July 2027
– Price per each registered capital of the Company	RMB1.02
– Risk free rate	3.69%
– Dividend yield	Nil
– Estimated volatility of return of the Company's equity	53.72%

The fair value of the awards at grant date is estimated to be approximately RMB163 million. The following table set out the estimated vesting date adopted at each reporting date and the share-based payment expense charged to the condensed consolidated statement profit or loss of the Group.

	Share-based payment expense RMB'000
For the six months ended 30 June 2023 (unaudited)	20,705
For the six months ended 30 June 2024 (unaudited)	20,227

## 21. Share Capital

	RMB ordinary shares of RMB1 each		Foreign ordinary shares listed outside mainland China of RMB1 each		Total	
	Number of shares	Share capital RMB'000	Number of shares	Share capital RMB'000	Number of shares	Share capital RMB'000
Issued and fully paid:						
As at 31 December 2023 (audited) and 1 January 2024	1,506,456,558	1,506,457	265,845,300	265,845	1,772,301,858	1,772,302
Conversion of domestic shares into H shares	(345,822,805)	(345,823)	345,822,805	345,823	–	–
As at 30 June 2024 (unaudited)	1,160,633,753	1,160,634	611,668,105	611,668	1,772,301,858	1,772,302

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 22. Related Party Transactions

- (a) The Group had the following material transactions with its related parties during the periods:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from sales of goods to		
– Luoyang Company	202,182	1,605
Entrusted processing services from		
– Luoyang Company	961,446	948,702
Purchase of property, plant and equipment from		
– Luoyang Company	–	20,794
Disposal of property, plant and equipment to		
– Luoyang Company	–	1,106
Rental fee income from		
– Huake Engineering	2,202	3,164
Rental fee charged by		
– Huake Engineering	14	–
– Luoyang Company	–	1,145
Transportation and miscellaneous fee paid on behalf by		
– Luoyang Company	–	8,243
Construction fees charged by		
– Jiangsu Chengdong Construction	25,505	56,981

Since March 2021, Xiamen Jinyuan Industry Investment Group Company Limited (“**Jinyuan Investment**”) has been providing financial guarantee to a subsidiary of the Group, Xiamen Company in favour of a group of 6 banks, to guarantee the payment obligation of 80% principal amount (being RMB2,000 million) of a loan in the principal amount of RMB2,500 million for a term of 8 years. The guarantee period of Jinyuan Investment took effective from the date of entering into the guarantee agreement to three years after the expiration of repayment obligation by Xiamen Company under the loan agreement.

Since January 2022, Jinyuan Investment has been providing another financial guarantee to Xiamen Company in favour of a group of 6 banks to guarantee the payment obligation of 80% principal amount (being RMB2,000 million) of a loan in the principal amount of RMB2,500 million for a term of 8 years. The guarantee period of Jinyuan Investment took effective from the date of entering into the guarantee agreement to three years after the expiration of repayment obligation by Xiamen Company under the loan agreement.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 22. Related Party Transactions (cont'd)

#### (b) Balances with related parties

Details of the Group's balances with related parties at the end of the period/year are disclosed in note 18.

#### (c) The remuneration of directors, supervisors and other members of senior management during the periods was as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Fees	54	360
Salaries, bonus and allowances	4,660	4,654
Equity-settled share-based payments	20,227	20,705
Retirement benefit scheme contributions	198	188
	<u>25,139</u>	<u>25,907</u>

### 23. Contingent Liabilities

- (a) The Group endorsed certain bank acceptance bills for the settlement of trade and other payables, discounted certain bank acceptance bills to banks for obtaining working capital and entered into factoring arrangement to transfer trade receivables to a bank without recourse. These outstanding endorsed bank acceptance bills, discounted bank acceptance bills and factored trade receivables are generally with maturities no more than 12 months. In the opinion of the Directors, the Group has transferred substantially all the risks and rewards relating to these instruments; the Group'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 these instruments was low because they were issued or guaranteed by reputable PRC banks or enterprises. As a result, the relevant assets and liabilities were derecognised on the condensed consolidated financial statements. The maximum exposure to the Group that may result from the default of these endorsed, discounted and factored instruments as at 30 June 2024 and 31 December 2023 are as follows:

	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(audited)
Endorsed or discounted bills	8,789,964	8,269,808
Factored trade receivables	1,192,000	1,700,000
	<u>9,981,964</u>	<u>9,969,808</u>

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 23. Contingent Liabilities (cont'd)

- (b) During 2021, Contemporary Amperex Technology Co., Limited (“CATL”) has brought four intellectual property infringement claims (for Patent I, Patent II, Patent III and Patent IV, as defined in the Prospectus of the Company dated 23 September 2022) against the Company (each a “Claim” and together, the “Claims”). Luoyang Company is also a joint defendant in the Claim related to Patent II.

During August 2022, CATL has brought another intellectual property infringement claim related to Patent VI (as defined in the Prospectus of the Company dated 23 September 2022) against the Company. Luoyang Company is also a joint defendant in such Claim related to Patent VI.

The Company received the respective first-instance judgements for the claims of Patent I, Patent III and Patent IV delivered by Fuzhou Intermediate Court between November 2022 and February 2023. After due consideration, the Company made a total provision of RMB8.64 million for the claims of Patent I, Patent III and Patent IV based on the assessment result of the compensation amounts of the internal legal counsel and external legal counsel by the end of June 2023. Details are set out in notes 39(b) and 48(b) in the 2022 Annual Report.

After assessing the analysis and views of the Company’s internal legal counsel and external legal advisors, the Directors are of the view that the Claims relating to Patent II and Patent VI are lacking in merit and it is not probable that an outflow of economic benefits will be required to settle the Claims.

Accordingly, the Group’s contingent liabilities related to the Claims as at 30 June 2023 are set out below:

Claims related to:	Damages claimed by CATL RMB'000	Expenses claimed by CATL RMB'000
--------------------	--	---

### Patent II

relates to an air tightness

detection structure of explosion-proof  
device arranged on the battery cover

365,000 \*

1,200 \*

### Patent VI

relates to battery package assembly

130,000 \*

500 \*

\* The Company and Luoyang Company are joint defendants of claim related to Patent II and Patent VI, and Luoyang Company will bear its respective portion of compensation and expenses as determined by the Court.

In December 2023, the Supreme Court has revoked the civil indictments from Fuzhou Intermediate Court regarding claims of Patent I and Patent IV. As a result, the Company has reversed the provision of RMB8.4 million related to claims of Patent I and Patent IV by the end of 2023. Details are set out in notes 36(b) and 45(b) in the 2023 Annual Report.

## 23. Contingent Liabilities (cont'd)

### (b) (cont'd)

During November 2022, the Company received a civil judgement from the Fuzhou Intermediate Court regarding the Claim related to Patent III and the salient contents of which are: (1) the Group shall immediately cease selling products infringing the relevant patent; (2) the Group shall compensate CATL for its economic loss of RMB2.63 million and reasonable costs of RMB0.2 million; (3) the Group to pay RMB0.13 million fees for the temporary protection period for the relevant patent; and (4) other claims filed by CATL were rejected. Details are set out in the Company's announcement dated 30 November 2022. The litigation has no significant progress until 30 June 2024, hence the Directors determined to maintain the provision of RMB240,000 for Claim of Patent III as at 30 June 2024.

During May 2024, the Company received a civil judgement from the Higher Court of Fujian Province regarding the Claim related to Patent II and the salient contents of which are: (1) the Group and Luoyang Company shall immediately cease using, selling or offering to sell products infringing the relevant patent; (2) the Group and Luoyang Company shall jointly and severally compensate CATL for its economic loss of RMB40.6 million and reasonable costs of RMB1.0 million incurred for stopping the infringement; and (3) other claims filed by CATL were rejected. Details are set out in the Company's announcement dated 20 May 2024. The Company have appealed the first-instance judgement to the Supreme People's Court with the appeal period.

In July 2024, the Company received a civil indictment (Case No.: (2024) Min 01 Min Chu No. 543) served by the Fuzhou Intermediate Court. The claim was petitioned by CATL brought against the Company and Fuzhou Cangshan Aion Automobile Sales Service Co., Ltd. (福州倉山埃安汽車銷售服務有限公司) ("**Fuzhou Cangshan Aion**") (an automobile seller independent of the Company) in respect of an infringement claim on intellectual property rights of No. ZL201720968992.6 utility model patent ("**Patent VII**") and the salient contents of which are: (1) the Group shall immediately cease manufacturing, selling and offering to sell products infringing the relevant patent; (2) Fuzhou Cangshan Aion shall immediately cease selling products infringing the relevant patent; and (3) the Group shall compensate CATL for its economic loss of RMB92 million and reasonable costs of RMB0.3 million incurred for stopping the infringement.

After assessing the analysis and views of the Company's internal legal counsel and external legal advisors, the Directors are of the view that the Claims relating to Patent II, Patent VI and Patent VII are lacking in merit and it is not probable that an outflow of economic benefits will be required to settle the Claims.



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 23. Contingent Liabilities (cont'd)

(b) (cont'd)

Accordingly, the Group's contingent liabilities related to the Claims as at 30 June 2024 are set out below:

Claims related to:	Damages claimed by CATL RMB'000	Expenses claimed by CATL RMB'000
<b>Patent II</b> relates to an air tightness detection structure of explosion-proof device arranged on the battery cover	40,558 *	1,018 *
<b>Patent VI</b> relates to battery package assembly	130,000 *	500 *
<b>Patent VII</b> relates to battery package assembly	92,000	300

\* The Company and Luoyang Company are joint defendants of claim related to Patent II and Patent VI, and Luoyang Company will bear its respective portion of compensation and expenses as determined by the Court.

Save as disclosed above, the Group had no other material contingent liabilities as at 30 June 2024.

### 24. Capital Commitments

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Property, plant and equipment	13,321,508	19,153,765
Intangible assets	54,952	24,653
Leasehold lands	–	3,101
Capital contribution to associates	321,300	320,000
Capital contribution to partnership funds	344,500	149,500
Capital contribution to share subscription	–	177,068
	<u>14,042,260</u>	<u>19,828,087</u>

### 25. Approval of Financial Statements

The interim financial statements were approved and authorised for issue by the Board of Directors on 29 August 2024.

# Definitions and Glossary

“Board”	the board of directors of the Company
“Company”, “CALB”, “we” or “us”	CALB Group Co., Ltd. (中創新航科技集團股份有限公司), H Shares of which are listed on the Stock Exchange with stock code of 3931
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any entity(ies) or person(s) who, to the best of the knowledge, information and belief of the Directors, is/are not a connected person(s) of the Company within the meaning ascribed thereto under the Listing Rules

## Definitions and Glossary

“Jincheng Technology”	Jiangsu Jintan Jincheng Technology Industry Development Co., Ltd.* (江蘇金壇金城科技產業發展有限公司), a company established under the laws of the PRC with limited liability on 7 December 2015 and wholly owned by Jintan Holding, a connected person of the Company
“Jinhang Holding”	Jiangsu Jinhang Holding Co., Ltd.* (江蘇金航控股有限公司), a company established under the laws of the PRC with limited liability on 2 March 2022, which is owned as to 40% by Jincheng Technology, 30% by Cai Dongze (蔡東澤), an Independent Third Party, 12.5% by Nanjing Ruiguan Enterprise Management Centre (Limited Partnership)* (南京瑞冠企業管理中心(有限合夥)), 12.5% by Wuxi Fengshenghui Enterprise Management Partnership Business (Limited Partnership)* (無錫豐晟匯企業管理合夥企業(有限合夥)) and 5% by Jiangsu Fengchuang Environmental Energy Co., Ltd* (江蘇楓創環保能源有限公司), an Independent Third Party. Jinhang Holding is a connected person of our Company
“Jinsha Investment”	Changzhou Jinsha Technology Investment Co., Ltd.* (常州金沙科技投資有限公司), a company established under the laws of the PRC with limited liability on 4 May 2008 and wholly owned by Jintan Holding

“Jintan Holding”	Jiangsu Jintan Investment Holding Co., Ltd.* (江蘇金壇投資控股有限公司), a company established under the laws of the PRC with limited liability on 16 September 2014 and wholly owned by the Government of Jintan District, a connected person of the Company
“Jintan Hualuogeng”	Jiangsu Jintan Hualuogeng Technology Industry Development Co., Ltd.* (江蘇金壇華羅庚科技產業發展有限公司), a company established under the laws of the PRC with limited liability on 12 December 2014 and owned as to 90% by Jintan Holding and 10% by Changzhou Investment Group Co., Ltd.* (常州投資集團有限公司), respectively, a connected person of the Company
“Jintan International”	Jiangsu Jintan National Development International Investment Development Co., Ltd.* (江蘇金壇國發國際投資發展有限公司), a company established under the laws of the PRC with limited liability on 16 December 2010 and exercising its voting rights in our Shares in accordance with the instructions of Jintan Holding, a connected person of our Company
“Jinyuan Investment”	Xiamen Jinyuan Investment Group Co., Ltd.* (廈門金圓投資集團有限公司), a company established under the laws of the PRC with limited liability on 13 July 2011 and wholly owned by Xiamen Industrial Investment Co., Ltd., one of our Pre-IPO Investors and Substantial Shareholders
“Lihang Jinzhi”	Xiamen Lihang Jinzhi Equity Investment Partnership (Limited Partnership)* (廈門鋰航金智股權投資合夥企業(有限合夥)), a limited liability partnership established under the laws of the PRC on 29 July 2019 whose general partner is Xiamen Lihang Equity Investment, one of our Pre-IPO Investors, a connected person of our Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luoyang Company”	China Lithium Battery Technology (Luoyang) Co., Ltd.* (中航鋰電(洛陽)有限公司), a company established under the laws of the PRC with limited liability on 14 September 2009, which is owned as to 51% by Jincheng Technology and 49% by Jinhang Holding, and a connected person of our Company
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers
“PRC” or “China”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 23 September 2022

## Definitions and Glossary

“Reporting Period”	from 1 January 2024 to 30 June 2024
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the issued capital of the Company with a nominal value of RMB1.00 each, comprising Domestic Share(s) and H Share(s)
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“Xiamen Company”	CALB (Xiamen) Co., Ltd.* (中創新航新能源(廈門)有限公司), a company established under the laws of the PRC with limited liability on 15 July 2019 and a direct wholly – owned subsidiary of our Company
“Xiamen Industrial Investment”	Xiamen Industrial Investment Co., Ltd. (formerly known as Xiamen Jinyuan Industry Development Company Limited, which was renamed Xiamen Industrial Investment Co., Ltd. on 15 March 2024), a company established under the laws of the PRC with limited liability on 13 August 2014 and wholly owned by Jinyuan Investment, one of our Pre – IPO Investors and Substantial Shareholders
“%”	percent

# CALB

中創新航科技集團股份有限公司  
CALB Group Co., Ltd.