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CNGR Advanced Material Co., Ltd.

中偉新材料股份有限公司

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

(Stock Code: 2579)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2026**

2026 INTERIM RESULTS HIGHLIGHTS

- During the Reporting Period, the Group's revenue amounted to approximately RMB33,584.3 million, representing a year-on-year increase of approximately 57.5%;
- During the Reporting Period, the Group's profit attributable to owners of the parent was approximately RMB1,311.4 million, representing a year-on-year increase of approximately 78.4%;
- During the Reporting Period, the basic earnings per share of the Company amounted to RMB1.24, representing an increase of approximately 57.0% as compared with the basic earnings per share of RMB0.79 for the corresponding period of last year;
- Based on the total number of Shares of the Company after deducting the repurchased shares in the repurchase account from the total share capital on the record date for dividend distribution, a cash dividend of RMB3.8 per 10 Shares (tax inclusive) will be distributed. No capital reserve will be converted into share capital, and no bonus shares will be issued.

The Board of the Company is pleased to announce the unaudited interim results of the Company and its subsidiaries for the six months ended June 30, 2026, which have been prepared in accordance with International Financial Reporting Standards.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended June 30, 2026

		Six months ended June 30,	
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
REVENUE	5	33,584,326	21,322,547
Cost of sales		<u>(29,269,673)</u>	<u>(18,780,024)</u>
Gross profit		4,314,653	2,542,523
Other income and gains		283,592	267,119
Selling and marketing expenses		(69,980)	(48,043)
Administrative expenses		(886,891)	(636,726)
Research and development costs		(588,903)	(544,764)
Other expenses		(709,286)	(238,587)
Finance costs		(441,448)	(521,081)
Share of profits and losses of:			
Joint ventures		75,399	3,673
Associates		<u>3,018</u>	<u>2,939</u>
PROFIT BEFORE TAX	6	1,980,154	827,053
Income tax expense	7	<u>(174,330)</u>	<u>(121,403)</u>
PROFIT FOR THE PERIOD		<u>1,805,824</u>	<u>705,650</u>
Attributable to:			
Owners of the parent		1,311,358	735,192
Non-controlling interests		<u>494,466</u>	<u>(29,542)</u>
		<u>1,805,824</u>	<u>705,650</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	9	<u>1.24</u>	<u>0.79</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*Six months ended June 30, 2026*

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	<u>1,805,824</u>	<u>705,650</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income/(loss):		
Changes in fair value	(5,419)	52,735
Income tax effect	<u>2,795</u>	<u>(8,500)</u>
	(2,624)	44,235
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	<u>(2,624)</u>	<u>44,235</u>
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(858,350)	(27,068)
Cash flow hedge	23,901	(21,133)
Share of other comprehensive (loss)/income of joint ventures	(4,304)	65
Share of other comprehensive income of associates	<u>7,763</u>	<u>8,861</u>
	(830,990)	(39,275)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u>(830,990)</u>	<u>(39,275)</u>
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	<u>(833,614)</u>	<u>4,960</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>972,210</u>	<u>710,610</u>
Total comprehensive income attributable to:		
Owners of the parent	535,255	746,052
Non-controlling interests	<u>436,955</u>	<u>(35,442)</u>
	<u>972,210</u>	<u>710,610</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2026

		June 30, 2026	December 31, 2025
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		28,684,763	30,798,950
Right-of-use assets		1,723,429	1,783,889
Goodwill		1,349,976	1,393,165
Other intangible assets		2,252,752	1,818,990
Investments in joint ventures		2,370,518	2,254,059
Investments in associates		1,361,021	1,611,517
Equity investments designated at fair value through other comprehensive income		1,170,386	592,353
Financial assets at fair value through profit or loss		526,310	68,172
Deferred tax assets		112,994	75,073
Other non-current assets		1,901,782	1,288,261
Total non-current assets		41,453,931	41,684,429
CURRENT ASSETS			
Inventories		17,044,709	14,663,598
Trade and bills receivables	10	7,967,668	7,526,803
Prepayments, deposits and other receivables		7,865,958	6,255,853
Derivative financial instruments		494,112	11,115
Pledged deposits		1,748,215	1,768,772
Financial assets at fair value through profit or loss		1,268,303	1,129,734
Cash and cash equivalents		11,882,133	8,567,561
Total current assets		48,271,098	39,923,436
CURRENT LIABILITIES			
Trade and bills payables	11	20,170,425	15,669,074
Other payables and accruals		2,232,875	1,414,650
Derivative financial instruments		16,759	714,437
Interest-bearing bank borrowings		13,960,961	11,901,586
Bonds payable		690,789	–
Lease liabilities		19,460	15,449
Tax payable		120,550	161,125
Other non-current liabilities		720,005	–
Total current liabilities		37,931,824	29,876,321
Net current assets		10,339,274	10,047,115
Total assets less current liabilities		51,793,205	51,731,544

		June 30, 2026	December 31, 2025
	<i>Note</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Bonds payable		–	711,554
Convertible corporate bonds		–	5,590
Interest-bearing bank borrowings		16,243,804	15,063,014
Lease liabilities		12,792	9,667
Provision		41,431	23,641
Deferred income		428,218	409,815
Deferred tax liabilities		202,811	212,079
Other non-current liabilities		604,096	1,673,999
Total non-current liabilities		17,533,152	18,109,359
Net assets		34,260,053	33,622,185
EQUITY			
Equity attributable to owners of the parent			
Share capital	12	1,044,466	1,042,254
Other equity instruments		–	–
Including: Perpetual debt instruments		700,000	700,000
Treasury shares		(1,086,635)	(1,086,635)
Reserves		23,528,963	23,479,474
		24,186,794	24,135,093
Non-controlling interests		10,073,259	9,487,092
Total equity		34,260,053	33,622,185

NOTES

1. CORPORATE INFORMATION

CNGR Advanced Material Co., Ltd. (the “**Company**”) is a limited liability company established in the People’s Republic of China (the “**PRC**”) on September 15, 2014. The A shares of the Company were listed on the Shenzhen Stock Exchange on December 23, 2020. The registered office of the Company is located at the intersection of No. 2 Avenue and No. 1 Avenue, Dalong Economic Development Zone, Tongren City, Guizhou Province, China.

The Company and its subsidiaries are principally engaged in the research, development, production, processing and sale of new materials, batteries and new energy. In the opinion of the directors, the immediate and ultimate shareholder of the Company is Hunan Zhongwei Holding Group Company Limited (湖南中偉控股集團有限公司), a company established in the PRC and controlled by Mr. Deng Weiming and Ms. Wu Xiaoge.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements for the six months ended June 30, 2026 have been prepared in accordance with the disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“**IAS**”) and interpretations) issued by the International Accounting Standards Board (“**IASB**”). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2025.

These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Company’s annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of the following amended IAS for the first time for the current period’s financial information.

Amendments to IAS 9 and IAS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to IAS 9 and IAS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IAS 1, IAS 7, IAS 9, IAS 10 and HKAS 7</i>

The nature and impact of the amended IAS are described below:

- (a) *The amendments to IAS 9 and IAS 7 on amendments to the classification and measurement of financial instruments* clarify that a financial asset is derecognised when the contractual rights to the cash flows of an entity expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy choice to derecognise financial liabilities settled before the settlement date through an electronic payment system, subject to specified conditions. The amendments clarify how the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features should be assessed. In addition, the amendments clarify the classification requirements for financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. As the Company’s accounting policy for derecognition of financial assets and liabilities in prior years was consistent with the amendments, and the Group did not have financial assets covered by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

- (b) *The amendments to IAS 9 and IAS 7 relating to contracts referencing nature-dependent electricity* clarify the application of the “own-use” requirements to contracts within the scope of the amendments and amend the designation requirements for the hedged item in cash flow hedge relationships for contracts within the scope. The amendments also include additional disclosures to enable users of financial statements to understand the effects of such contracts on an entity’s financial performance and future cash flows. As the Group did not have any contracts within the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.
- (c) *The Annual Improvements to IFRS Accounting Standards – Volume 11* sets out narrow-scope amendments to IAS 1, IAS 7 (and the accompanying *implementation guidance on IAS 7*), IAS 9, IAS 10 and HKAS 7. These amendments include clarifications, simplifications, corrections or changes intended to improve consistency in the respective International Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

Management monitors the overall operating results of the Group’s operating segments for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) *Revenue from external customers*

Revenue is attributed to geographical areas based on the locations of customers. Revenue by geographical segment based on the locations of customers for the period is presented as follows:

	Six months ended June 30,	
	2026	2025
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Geographical market		
Chinese mainland	20,248,845	10,538,496
Outside Chinese mainland	13,335,481	10,784,051
Total	33,584,326	21,322,547

(b) *Non-current assets*

	June 30,	December 31,
	2026	2025
	RMB’000	RMB’000
	(Unaudited)	(Audited)
Geographical market		
Chinese mainland	14,104,991	13,412,876
Outside Chinese mainland	25,539,250	27,535,955
Total	39,644,241	40,948,831

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

5. REVENUE

An analysis of revenue is as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	33,542,978	21,297,333
Revenue from other sources		
Rental income	41,348	25,214
Total	33,584,326	21,322,547

(a) Disaggregated revenue information

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods or services		
New energy battery materials		
Nickel-based materials	12,926,931	7,490,866
Cobalt-based materials	2,635,551	1,451,943
Phosphorus-based materials	1,039,557	670,075
Other innovative materials	28,041	19,368
Sub-total	16,630,080	9,632,252
New energy metal products	10,110,035	9,272,895
Others	6,844,211	2,417,400
Total	33,584,326	21,322,547
Geographical market		
Chinese mainland	20,248,845	10,538,496
Outside Chinese mainland	13,335,481	10,784,051
Total	33,584,326	21,322,547
Timing of revenue recognition		
Goods transferred at a point in time	33,541,762	21,218,447
Services transferred over time	42,564	104,100
Total	33,584,326	21,322,547

6. PROFIT BEFORE TAX

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

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold****	29,061,565	18,713,684
Cost of services provided****	40,894	25,699
Depreciation of property, plant and equipment	1,165,727	983,677
Depreciation of right-of-use assets	29,201	30,041
Amortisation of other intangible assets	21,793	5,157
Research and development costs:		
Current period expenditure	588,903	544,764
Lease payments not included in the measurement of lease liabilities	36,773	8,674
Employee benefit expenses (excluding directors', supervisors' and chief executive's remuneration):		
Wages, salaries and other allowances	654,132	525,196
Equity-settled share-based payment expense**	4,806	13,264
Pension scheme contributions (defined contribution scheme)***	44,894	15,912
Less: Amount capitalised	7,922	42,883
Total	695,910	511,489
Foreign exchange differences, net	421,770	108,511
Impairment of financial assets, net:		
Impairment of trade receivables, net*	9,593	20,977
Impairment of financial assets included in prepayments, deposits and other receivables, net*	510	15,091
Total	10,103	36,068
Loss on derecognition of bills receivable through discounting*	103,546	66,332
Loss on disposal of items of property, plant and equipment*	28,339	21,541
Loss on remeasurement of previously held interest upon step acquisition of a subsidiary*	74,908	–
Impairment of construction in progress*	51,353	–
Write-down of inventories to net realisable value	167,215	40,641

* These amounts are included in "Other expenses" in the condensed consolidated statement of profit or loss.

** These amounts are included in the share-based payment expenses. These amounts excluded: (i) the share-based payment expenses granted to the directors and chief executive; and (ii) the share-based payment expenses recorded in cost of sales.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

**** The cost of inventories sold and cost of services provided include expenses relating to depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and/or operate.

Chinese mainland

Pursuant to the Enterprise Income Tax Law of the PRC and the relevant regulations (the “EIT Law”), subsidiaries operating in the Chinese mainland are subject to enterprise income tax on taxable income at a rate of 25%, except for certain subsidiaries which are subject to preferential income tax rates.

- (a) The Company obtained its High and New Technology Enterprise Certificate on December 25, 2025, which is valid for three years. Certain subsidiaries of the Company were also recognised as High and New Technology Enterprises, with the validity periods as follows:

Name	Validity period
Hunan CNGR New Energy Technology Co., Ltd.	2024 to 2026
Guizhou CNGR Resources Recycling Industry Development Co., Ltd.	2025 to 2027
Guizhou CNGR Xingyang Energy Storage Technology Co., Ltd.	2024 to 2026

- (b) Pursuant to the relevant tax regulations under the Western Region Development policy, Guizhou CNGR New Material Trading Co., Ltd. is subject to an income tax rate of 15%. Such tax preferential treatment is effective from January 1, 2021 and will expire on December 31, 2030.
- (c) Pursuant to the Notice of the People’s Government of Guangxi Zhuang Autonomous Region on Issuing the Supporting Policies for Promoting High-quality Development of the China (Guangxi) Pilot Free Trade Zone, Guangxi CNGR New Energy Technology Co., Ltd. enjoys a preferential income tax rate of 9%. Such tax preferential treatment is effective from January 1, 2021 and will expire on December 31, 2030.
- (d) Certain subsidiaries in the PRC qualify as small low-profit enterprises and enjoy the following enterprise income tax preferential treatments:

Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Preferential Income Tax Policies for Small Low-profit Enterprises and Individual Industrial and Commercial Households, for small low-profit enterprises, the portion of annual taxable income not exceeding RMB1 million is reduced by 25% to be included in taxable income and is subject to enterprise income tax at a rate of 20%. Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementing Preferential Income Tax Policies for Small Low-profit Enterprises, the portion of annual taxable income exceeding RMB1 million but not exceeding RMB3 million is reduced by 25% to be included in taxable income and is subject to enterprise income tax at a rate of 20%.

- (e) Pursuant to the relevant provisions of the Enterprise Income Tax Law of the PRC and the Regulations for the Implementation of the Enterprise Income Tax Law of the PRC (State Council Order No. 512), where an enterprise purchases and uses special equipment for environmental protection, energy conservation and water saving, work safety and other purposes listed in the Catalogue from January 1, 2008, 10% of the investment amount in such special equipment may be credited against the enterprise income tax payable for the year; where the tax payable for the year is insufficient to utilise the credit, the unused tax credit may be carried forward to subsequent years, subject to a maximum carry-forward period of five tax years.

Hong Kong

During the period, Hong Kong profits tax was provided at the rate of 8.25% or 16.5% on the estimated assessable profits.

Indonesia

The income tax rate for companies incorporated in Indonesia is generally 22%, except for companies enjoying the following tax incentives:

- (a) The Company's subsidiary, PT Debonair Nickel Indonesia, was granted an enterprise income tax exemption by the Ministry of Finance of Indonesia. Enterprise income tax is exempted for the first to seventh years of sales of nickel metal products and is reduced by half for the eighth to ninth years.
- (b) The Company's subsidiary, PT Jade Bay Metal Industry, was granted an enterprise income tax exemption by the Ministry of Finance of Indonesia. Enterprise income tax is exempted for the first to seventh years of sales of nickel metal products and is reduced by half for the eighth to ninth years.
- (c) The Company's subsidiary, PT Nadesico Nickel Industry, was granted an enterprise income tax exemption by the Ministry of Finance of Indonesia. Enterprise income tax is exempted for the first to fifteenth years of sales of nickel metal products and is reduced by half for the sixteenth to seventeenth years.
- (d) The Company's subsidiary, PT Zhongtsing New Energy, was issued an enterprise income tax exemption document by the Ministry of Finance of Indonesia. For Phase I, enterprise income tax is exempted for the first to seventh years of sales of nickel metal products and is reduced by half for the eighth to ninth years. For Phase II, enterprise income tax is exempted for the first to eighth years of sales of nickel metal products and is reduced by half for the ninth to tenth years.

Additional deduction of research and development expenses

Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Further Improving the Policy of Additional Deduction of Research and Development Expenses before Enterprise Income Tax (2023 No. 7), for research and development expenses actually incurred by an enterprise in conducting research and development activities which are recognised in profit or loss for the current period without forming intangible assets, an additional 100% of the actual amount incurred may be deducted before tax from January 1, 2023 in addition to the deduction made in accordance with the applicable regulations; where intangible assets are formed, 200% of the cost of the intangible assets may be amortised before tax from January 1, 2023.

Corporate income tax rates:

Name	Tax rate
The Company	15.00%
Hunan CNGR New Energy Technology Co., Ltd.	15.00%
Guizhou CNGR Resources Recycling Industry Development Co., Ltd.	15.00%
Guangxi CNGR New Energy Technology Co., Ltd.	9.00%
Guizhou CNGR New Material Trading Co., Ltd.	15.00%
Guizhou CNGR Xingyang Energy Storage Technology Co., Ltd.	15.00%
CNGR (Hong Kong) New Material Technology Trading Co., Ltd. and other companies domiciled in Hong Kong	8.25% and 16.5%
Debonair Holdings Private Limited and other companies domiciled in Singapore	17.00%
PT Zhongtsing New Energy and other companies domiciled in Indonesia	22.00%
CNGR Zimbabwe New Energy Technology Co. (Private) Limited	25.75%
CNGR Morocco New Energy Technology	35.00%
CNGR Europe New Energy Technology GmbH	31.83%
CNGR Japan New Energy Technology Co., Ltd.	35.43%
CNGR Luxembourg New Energy Technology S.À R.L.	23.87%
CNGR Netherlands New Energy Technology B.V. and other companies domiciled in the Netherlands	25.80%
KINO Energy Solutions Co., Ltd and other companies domiciled in Korea	24.00%
Wintru S.R.L and other companies domiciled in Argentina	35.00%
Other subsidiaries	25.00%

The income tax expense of the Group for the period is analysed as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current	197,083	116,876
Deferred	(22,753)	4,527
Total tax charge for the period	174,330	121,403

8. DIVIDENDS

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interim dividends on ordinary A shares		
Final dividend in respect of the previous year, declared and paid during the following year (tax inclusive)	384,720	328,451
Dividends of lapsed restricted shares	–	(3,218)
Total	384,720	325,233

The Board recommends the payment of an interim dividend of RMB3.8 per 10 shares (tax inclusive) to shareholders for the six months ended June 30, 2026 (June 30, 2025: RMB2.8 per 10 shares (tax inclusive)). The above profit distribution proposal has been considered and approved at the fifth meeting of the third session of the Board and remains subject to the consideration and approval by the shareholders at the general meeting of the Company before implementation.

The final dividend of RMB3.8 per 10 ordinary shares (tax inclusive) for the year ended December 31, 2025 was approved at the annual general meeting of the Company on May 22, 2026 and was paid on or before July 22, 2026.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,042,253,858 (June 30, 2025: 930,919,180) outstanding during the period, as adjusted to reflect the bonus share issue during the period.

The calculation of diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period (the same as that used in the basic earnings per share calculation), and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	1,294,465	735,192
	Six months ended June 30,	2025
	2026	
Shares		
Weighted average number of ordinary shares outstanding	1,042,253,858	930,919,180
Effect of dilution – weighted average number of ordinary shares: Share options	–	–
Total	1,042,253,858	930,919,180

* The weighted average number of shares was after taking into account the effect of treasury shares held.

10. TRADE AND BILLS RECEIVABLES

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Trade receivables	7,518,226	6,724,031
Bills receivable	549,022	894,132
Impairment	(99,580)	(91,360)
Net carrying amount	<u>7,967,668</u>	<u>7,526,803</u>

An ageing analysis of the Group's trade receivables as at the end of the Reporting Period, based on the invoice date and net of provisions, is as follows:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Within 3 months	6,955,938	6,123,962
4 to 12 months	447,965	501,056
1 to 2 years	13,888	6,152
2 to 3 years	855	1,501
Total	<u>7,418,646</u>	<u>6,632,671</u>

11. TRADE AND BILLS PAYABLES

An ageing analysis of the Group's trade and bills payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Within 1 year	19,741,910	15,109,206
1 to 2 years	109,586	199,506
2 to 3 years	190,683	244,300
Over 3 years	128,246	116,062
Total	<u>20,170,425</u>	<u>15,669,074</u>

12. SHARE CAPITAL AND TREASURY SHARES

	Number of shares issued <i>RMB'000</i>	Share capital <i>RMB'000</i>	Treasury shares <i>RMB'000</i>	Total
As at December 31, 2025	1,042,253,858	1,042,254	(1,086,635)	(44,381)
Shares issued under share scheme*	<u>2,212,354</u>	<u>2,212</u>	<u>—</u>	<u>2,212</u>
As at June 30, 2026	<u>1,044,466,212</u>	<u>1,044,466</u>	<u>(1,086,635)</u>	<u>(42,169)</u>

* On June 12, 2026, the Company issued 2,212,354 shares upon the exercise of share options under the 2023 Share Incentive Scheme, each with a nominal value of RMB1 and an exercise price of RMB19.86. The Shares were listed and commenced trading on July 6, 2026.

13. COMMITMENTS

As at the end of the Reporting Period, the Group had the following capital commitments:

	June 30, 2026 <i>RMB'000</i> (Unaudited)	December 31, 2025 <i>RMB'000</i> (Audited)
Capital commitments	<u>1,987,334</u>	<u>1,703,222</u>

MANAGEMENT DISCUSSION AND ANALYSIS

I. The Company's Main Business During the Reporting Period

The Company focuses on the new materials sector, leveraging materials science to drive high-quality development of the energy and power industry, as well as advanced technology industries. During the Reporting Period, guided by the strategic direction of “Technology Diversification, Globalization, Digitalization of Operations, and Industry Ecologization”, the Company has established a new materials ecosystem covering resource extraction, smelting and processing, material production, and secondary resource recycling, with nickel-based, cobalt-based, phosphorus-based, and sodium-based materials at its core. Targeting the global market, the Company has formed ten distinctive and mutually supportive global industrial bases, striving to “become a globally leading new materials science company”.

(I) The Company's Main Business and Main Products

The Company's new materials ecosystem primarily includes nickel-based materials (high-nickel and ultra-high nickel precursors, precursors for solid-state batteries, precursors for the low-altitude economy, and cost-effective medium-nickel high-voltage precursors), cobalt-based materials (high-voltage tricobalt tetroxide), phosphorus-based materials (iron phosphate, lithium iron phosphate), sodium-based materials (polyanionic sodium-ion cathode materials, layered oxide sodium-ion cathode materials), and new energy metal products. These comprehensively cover technological routes such as ternary lithium batteries, lithium cobalt oxide batteries, lithium iron phosphate batteries, sodium-ion batteries, and solid-state/semi-solid-state batteries, and are widely used in fields such as EVs, energy storage, consumer electronics, low-altitude aircraft, and robotics.

Among its various material series, the Company has taken the lead in realizing a closed-loop ecosystem for the nickel industry chain, from resources to materials. This not only improves the self-sufficiency of upstream raw materials but also allows for flexible selection of intermediate products such as nickel pig iron and nickel matte, or further processing into high-purity nickel plates for external sales, forming a complete product system. Simultaneously, starting with the nickel industry chain, the Company continues to proactively and economically deploy strategic resources in phosphorus and lithium, providing high-quality, low-cost resource support for perfecting the closed-loop ecosystem of subsequent materials.

The Company drives business development through technological leadership, comprehensively covering the global top-tier battery industry chain, forming a globalized and multi-dimensional high-quality core customer system that connects “complete vehicles, batteries, and cathode materials”. The Company's technology, quality, scale, and efficient responsiveness have been widely recognized by the industry. It has established stable cooperative relationships with leading domestic and international customers, including Xiamen Tungsten, Tesla, Easpring Technology, BTR, ECOPRO, L&F, Ronbay Technology, Reshine New Material, LG Chem, Samsung SDI, B&M Science and Technology, BASF Shanshan, Zhenhua New Materials, CALB Group, COSMO, BYD, Gotion High-tech, CATL, Panasonic, POSCO, SK On, and SVOLT Energy Technology.

In recent years, the Company has navigated industry cycles with efficient strategic execution and stable operating performance, continuously consolidating its leading position in the industry and achieving remarkable results in diversification, globalization, digitalization, and ecosystem development. In the current era of technological and productivity innovation, intensified global resource competition, and geopolitical conflicts driving energy transformation, the Company is also facing a critical turning point from “increased growth” to “quality improvement”. Facing a new round of industry cycles, the Company will leverage its comprehensive advantages in technology, resources, market, customers, cost, and ecosystem to achieve leapfrog development.

(II) *Company Business Model*

1. *Procurement Method*

The Company adopts a “production-to-order, centralized procurement” model. Production plans are formulated based on sales plans and contracts, and procurement plans are developed based on material inventory, production plans, and actual inventory levels. Procurement is conducted monthly. The Company’s main raw materials are nickel laterite ore, MHP, high-grade nickel matte, low-grade nickel matte, cobalt intermediates, manganese sulfate, cobalt chloride, and other auxiliary materials. Procurement prices are primarily determined based on spot prices on the SMM and futures prices on the LME. To ensure timely supply and stable quality of key raw materials, the Company has established long-term cooperative relationships with well-known domestic and international suppliers such as ATL, Tsingshan Group, Glencore, Xiamen ITG, BHP, Xiamen Xiangyu, and Tengyuan Cobalt. A supplier evaluation management system has been implemented to strengthen supply chain management, creating a relatively stable, appropriately competitive, and dynamically adjustable list of qualified suppliers, ensuring a continuous, stable, high-quality, and reasonably priced supply of raw materials.

2. *Production Model*

The Company adopts a “production-to-order” model, developing and implementing production plans based on downstream customer orders and demand forecasts. The Company’s operations headquarters formulates production plans based on sales plans, product inventory, workshop production capacity, and sales contracts. Simultaneously, the production operations center and quality management center effectively control all aspects and factors related to the production and service processes to ensure that each production and service provision process is conducted in a controlled manner according to prescribed methods, thereby guaranteeing product quality. Regarding production control procedures, the Company strictly controls production technology levels and product quality control standards, monitors the entire production process, and conducts quality inspections on the final products.

3. *Sales Model*

The Company's main products are sold through a self-operated sales model, primarily involving the Company procuring raw materials based on sales orders and independently conducting production and sales.

During the Reporting Period, the Company's direct customers for the self-operated sales of its cathode materials and precursor products were mainly large, well-known domestic and international lithium battery cathode material manufacturers, lithium battery manufacturers, and EV manufacturers.

The Company's operations headquarters is responsible for customer development and market expansion. Upon contacting potential new customers, it will conduct joint investigations, evaluations, factory visits, sample testing, and other certification procedures with the customers to enter the customers' qualified supplier systems or directories, and will draft sales contracts and orders with customers as needed. Before formally signing contracts with customers, the operations headquarters, central research institute, and quality management center will review the agreements signed with customers, such as the "Quality Agreement" and "Environmental Protection Agreement". After the review is approved, the operations headquarters will reasonably formulate a sales plan on the premise of ensuring the quantity and schedule of products required by customers, and the procurement department of the operations headquarters will support the execution of sales contracts based on inventory conditions.

The Company generally implements a product pricing mechanism with downstream customers based on the cost of main raw materials plus processing fees. When confirming purchase orders with customers, the Company provides quotations for products of specific specifications, models, and purchase quantities. The quotation formula comprises the pricing basis of various metal salt raw materials and processing fees. The pricing basis for various metal salt raw materials is the market price of those materials, while the processing fees are determined by the Company based on the product's manufacturing process, market supply and demand, target profit, and customer negotiation.

The Company's new energy metal products adopt a self-operated sales model, with the Company headquarters and global regional sales teams directly connecting with downstream customers to achieve direct production and sales. Core customers focus on large international metal traders and lithium battery cathode material manufacturers.

Based on customer orders and demand forecasts, the Company operates on an “Order first, produce later” model, matching integrated “resources-smelting-materials” production capacity. Production plans are developed based on signed orders, clearly defining core requirements such as product specifications, delivery cycles, and quality standards to ensure precise matching of production and sales. For long-term cooperative customers, demand is forecasted by analyzing historical order data and assessing industry trends, reserving some capacity in advance to improve response speed. Production plans are deeply coordinated with customer order cycles, with monthly orders corresponding to short-term production schedules and long-term contracts corresponding to annual capacity planning, achieving flexible production and efficient delivery.

(III) Industry Development Status and Trends

1. The Company’s Industry Position

The core products of the Company’s new materials ecosystem include nickel-based materials, cobalt-based materials, phosphorus-based materials, sodium-based materials, and new energy metal products.

In terms of nickel-based materials, the Company is a global leader and pioneer in the ternary precursor industry. Benefiting from factors such as a high-quality customer structure, forward-looking strategic layout, and superior product performance, the Company’s product competitiveness continues to strengthen, and its market share in ternary precursors remains leading. According to Xinluo Data, the Company’s domestic market share for ternary precursors was 26% in the first half of 2026, continuing to maintain its industry-leading position. The Company pioneered ultra-high nickel precursors in the industry, holding a leading market share in high-nickel and ultra-high nickel products. It is also among the leading companies in the solid-state battery field, shipping 100 tons of solid-state precursors during the Reporting Period. This gives it a first-mover advantage in the industry trends of future battery performance improvements, the widespread adoption of solid-state batteries, and the implementation of new applications such as robotics/low-altitude aircraft.

Regarding cobalt-based materials, the Company has been the world’s number one seller of cobalt-based precursor materials for six consecutive years. All of its products utilize high-voltage (above 4.45V) technology, and it pioneered the 4.55V high-voltage cobalt-based precursor in the industry, effectively filling key industry gaps in high-voltage applications and the high-end market, providing an ideal solution for the high-performance battery demand in the consumer electronics sector driven by the AI wave.

Regarding phosphorus-based materials, leveraging its late-mover advantage, the “mineral-chemical-material-recycling” ecological closed loop has been steadily advancing. The Company’s iron phosphate sales achieved leapfrog growth. According to ICC Xinluo Information statistics, in the first half of 2026, the Company’s shipments, excluding industry self-supply, ranked first in the external sales market, with profit elasticity significantly released, successfully achieving a turnaround from loss to profit.

In the field of sodium-based materials, the Company pioneered a low-cost polyanionic (NFPP) precursor for sodium-ion batteries, achieving mass production through a dual-technology route of “polyanionic + layered oxide”. Sodium-based material shipments have reached the two-thousand-ton level. Prior to the large-scale commercial application of sodium-ion batteries, the Company has already built a first-mover barrier in terms of customer base, technology reserves, and production supply capabilities.

Regarding new energy metals, the Company has formed a laterite nickel ore smelting capacity of nearly 200,000 metal tons, employing a dual-technology route of OESBF+RKEF, allowing flexible production switching among products such as electrolytic nickel, high-grade nickel matte, and nickel-iron. In addition to meeting its own supply needs, nickel products can be sold externally according to market conditions, taking the lead in achieving a full-chain closed-loop ecosystem for the nickel industry chain. Meanwhile, the Company has been selected for the Ministry of Industry and Information Technology’s list of “recycling” enterprises, being one of the few domestic enterprises with full-chain capabilities in battery dismantling and black powder refining. It has built recycling facilities in China to recover valuable metals such as nickel, cobalt, and lithium from black powder, with the recycling business forming a synergistic closed loop with upstream resource extraction and midstream material manufacturing.

2. *Overview of Materials Industry Development in the EV Sector*

According to data from the China Association of Automobile Manufacturers (CAAM), from January to June 2026, China’s EV production and sales reached 7.438 million units and 7.446 million units respectively, representing year-on-year increases of 6.7% and 7.3% respectively. In June alone, EV production and sales reached 1.598 million units and 1.643 million units respectively, up 26% and 23.6% year-on-year respectively, with the EV penetration rate for the month further rising to 58.5%. Sales of battery electric vehicles reached 4.989 million units, with their share of total EV sales rising to approximately 67%.

According to SNE Research statistics, global EV sales from January to June 2026 delivered 9.906 million units, representing a year-on-year increase of 5.5%. The European market continued its recovery momentum, with EV sales growing steadily, benefiting from the restart of subsidy policies and increasingly stringent carbon emission regulations.

In the power battery sector, according to data from the China Automotive Power Battery Industry Innovation Alliance, the cumulative installed capacity of power batteries in China from January to June 2026 was approximately 335.6 GWh, a cumulative year-on-year increase of 12.0%. Among them, the cumulative installed capacity of lithium iron phosphate batteries was 272.0 GWh, accounting for 81.0% of the total installed capacity, a cumulative year-on-year increase of 11.5%, continuing to dominate the domestic market; the cumulative installed capacity of ternary batteries was 63.4 GWh, accounting for 18.9% of the total installed capacity, a cumulative year-on-year increase of 14.2%, with the product structure continuously optimized and the proportion of medium-nickel high-voltage and high-nickel products gradually increasing. According to Xinluo Lithium Battery data, global ternary precursor production from January to June 2026 was 584,000 tons, a year-on-year increase of 26.1%, of which China's ternary precursor production was 532,000 tons, a year-on-year increase of 31.3%. Ternary precursors continued the market pattern dominated by medium – and high-nickel products, with the proportion of 6-series products increasing more notably. In overseas markets, the European and American power battery markets still primarily rely on ternary batteries, because ternary batteries perform better in low-temperature environments, and high-end models in Europe and America have higher demands for longer range and energy density.

The future development trends of battery materials for EV are as follows:

- (1) Continuing high-nickel trend: Driven by the global energy transition and the artificial intelligence revolution, the power consumption of terminal devices is increasing, requiring an increase in capacity density without increasing battery volume and weight. Market demand for high-nickel ternary cathode materials will continue to grow with industry trends.
- (2) Accelerated industrialization of solid-state batteries: Solid-state battery precursors mostly use high-nickel and ultra-high nickel materials. With future technological development and the commercialization of solid-state batteries, high-nickel materials have huge growth potential.
- (3) Rapid growth of medium-nickel high-voltage materials: Compared with the high-nickel route, medium-nickel high-voltage materials maintain the energy density advantage of ternary batteries while possessing cost competitiveness with lithium iron phosphate, becoming one of the main drivers for the expansion of the ternary market.
- (4) Accelerated globalization: The overseas expansion of China's new energy industry chain has become a mainstream trend, shifting from product export to diversified models such as technology licensing and localized production.

3. *Overview of the Development of the Consumer Electronics Materials Business Industry*

In the first half of 2026, affected by factors such as the continued rise in memory chip costs, the global smartphone market continued its downward trend. According to IDC data, global smartphone shipments were approximately 570 million units. Emerging smart terminals such as AI phones, AI glasses, and smart wearables grew rapidly, bringing incremental demand for cobalt-based materials.

Tricobalt tetroxide is the precursor material for lithium cobalt oxide cathodes and is ultimately used to manufacture lithium cobalt oxide batteries. Lithium batteries with lithium cobalt oxide as the cathode offer advantages such as high energy density, high discharge voltage, good filling property, and long cycle life, and are widely used in the 3C battery field. Affected by factors such as the decline in global smartphone shipments and destocking by downstream cell manufacturers, domestic market demand for lithium cobalt oxide came under pressure. According to ICC Xinluo Information statistics, domestic lithium cobalt oxide production in the first half of 2026 was 45,800 tons, a year-on-year decrease of 13.9%. In terms of product structure, driven by terminal applications such as AI phones, foldable-screen devices, and thin and light laptops, lithium cobalt oxide is accelerating its upgrade towards high voltage and high energy density. According to ICC Xinluo Information data, the proportion of domestic production of high-voltage lithium cobalt oxide of 4.5V and above reached 42% in the first half of 2026, an increase of 5 percentage points compared with 2025.

4. *Overview of the Development of the Energy Storage Materials Industry*

With the global trend towards carbon peaking and carbon neutrality, global energy storage systems are embracing explosive growth opportunities. According to GGII statistics, China's overall lithium battery shipments reached 1.2 TWh from January to June 2026, a year-on-year increase of 50%. Among them, energy storage battery shipments were approximately 485 GWh, surging 80% year-on-year, with the incremental scale already exceeding that of power batteries, becoming the second growth curve of the lithium battery industry.

The global energy storage market is dominated by lithium iron phosphate batteries in terms of installed capacity, and the growth of energy storage batteries has brought a substantial increase in demand for lithium iron phosphate materials. According to ICC Xinluo Information statistics, iron phosphate production from January to June 2026 was 2.267 million tons, a year-on-year increase of 52.6%. At present, lithium iron phosphate cathode materials are continuously evolving towards larger capacities, with demand for long-cycle, high-compaction-density lithium iron phosphate cathode materials growing rapidly.

Sodium-ion batteries, with their advantages of abundant resources, low cost, high safety, and strong low-temperature performance, have become an ideal choice for many energy storage scenarios. According to GGII statistics, China's sodium-ion battery production reached approximately 1 GWh in the first half of 2026, a year-on-year increase of over 25%, with the industrialization process accelerating.

5. *Overview of the Development of the Emerging Application Materials Industry*

Driven by advances in AI and automation technologies, the global robotics market has experienced significant growth. The humanoid robot industry has entered a period of rapid development, with demand for high-power, long-endurance batteries continuing to climb, bringing huge market growth potential for high-nickel ternary materials and lithium cobalt oxide materials.

As a strategic emerging industry, the low-altitude economy covers various application scenarios such as electric vertical take-off and landing (eVTOL) aircraft and drones, with its market scale expanding rapidly. Low-altitude aircraft place extremely high requirements on charge/discharge rates and battery energy density, and nickel-based and cobalt-based materials are expected to become the main battery materials for their application scenarios.

6. *Overview of Recycling Industry Development*

With the rapid development of the EV industry, a large-scale “retirement wave” of power batteries is imminent. According to estimates by the China Automotive Strategy and Policy Research Center, the retirement volume of EV power batteries in China in 2026 will be approximately 43 GWh, equivalent to more than 400,000 tons. The recycling industry is showing a trend towards standardized and concentrated development, with the technological advantages of leading enterprises becoming prominent.

(IV) Drivers of the Company's Performance

During the Reporting Period, the Company seized the opportunities arising from the high-prosperity development of the global new energy industry. Leveraging its leading position in the battery materials sector and the integrated “resources + smelting + materials” full-industry-chain advantages, the Company achieved synergistic contributions across its business segments, resulting in steady growth in operating performance. In the first half of 2026, the Company recorded operating revenue of RMB33.584 billion, representing a year-on-year increase of 57.51%, with aggregate sales volume of its core products, including nickel-based, cobalt-based, phosphorus-based and sodium-based materials, exceeding 250,000 tonnes. To achieve its operating targets, the Company focused on the following key initiatives during the Reporting Period:

1. Synergistic Development Across Multi-Material Systems, with Cutting-Edge Technological Deployment Driving Industry Upgrading

During the Reporting Period, leveraging its technological leadership, the Company deepened the synergistic development of its four major material systems, namely nickel-based, cobalt-based, phosphorus-based and sodium-based materials, with its product matrix continuously improving and its market-leading position being further consolidated. In the nickel and cobalt material systems, the Company maintained its global leadership, achieving breakthroughs in ultra-high nickel, medium-nickel high-voltage ternary materials and high-voltage tricobalt tetroxide technologies, and securing independent control over key materials. Annual shipment volume and market share reached record highs, with the Company's market share in ternary precursors and tricobalt tetroxide rank first in the industry for consecutive years, and solid-state precursor shipments reaching the hundred-tonne level. In the phosphorus-based material system, the Company achieved a significant scale-up, with iron phosphate shipments ranking first in the external sales market. The Company established strategic partnerships with several leading battery manufacturers and secured upstream phosphate ore resources, commencing development to reinforce the foundation for sustainable growth. In the sodium-based material system, the Company achieved technological breakthroughs, with the “R&D of Wide-Temperature-Range High-Performance Sodium-Ion Batteries” project being selected as a provincial-level major science and technology research project. Shipments in the first half of the year exceeded 2,000 tonnes, with initial commercialization results beginning to emerge.

2. *In-Depth Advancement of Globalization Strategy, with Synergistic Development of Overseas Production Capacity and Resource Layout*

During the Reporting Period, the Company unwaveringly advanced its “Globalization of Development” strategy, achieving milestone progress in the construction of overseas industrial bases and the deployment of resources, with its global supply chain support capabilities significantly enhanced. In June, the phase I nickel-based material production line of the CNGR Morocco Industrial Base project achieved a kiloton-scale output breakthrough, laying a foundation for scalable production capacity to serve the European and North American markets. The phase II nickel smelting production lines (laterite nickel ore to low-grade nickel matte, and low-grade nickel matte to high-grade nickel matte) at the Morowali Base in Indonesia were fully commissioned and put into operation. The world’s first oxygen-enriched side-blown nickel smelting technology was continuously refined, achieving significant reductions in comprehensive energy consumption. Through the controlling acquisitions of the Jama Project and the Solaroz Project, the Company made counter-cyclical and forward-looking deployments in Argentine salt lake lithium resources, securing over 10 million tonnes of lithium carbonate equivalent in high-quality resources, thereby providing security for raw material supply. The Company entered into an LFP joint venture agreement with POSCO Future M of South Korea and commenced the construction of the Pohang LFP Advanced Materials Manufacturing Project in South Korea, expanding into the overseas energy storage market. The Company formally established cooperation with CRONIMET Group of Germany to jointly develop a waste battery recycling plant in Europe, marking a critical step forward in its “Global Recycling” initiative. The new material ecosystem encompassing “resource extraction, smelting and processing, material production, and secondary resource recycling and utilization” has been advancing in a coordinated manner.

3. *Continuous Breakthroughs in R&D and Innovation, Building Long-Term Technological Moat*

The Company continued to increase its R&D investment, achieving breakthroughs in a number of core technologies during the Reporting Period. In nickel-based materials, the solid-state battery precursors overcame key technologies in interface optimization and structural stabilization, achieving hundred-tonne-level shipments, with cell energy density exceeding 350Wh/kg and a cycle life of 1,000 cycles, and have entered the certification systems of leading battery manufacturers. The high-nickel precursors specifically designed for eVTOL applications achieved an energy density exceeding 300Wh/kg, sustained output at 10–15C and peak output at 40C, with shipment volume growing at a rapid pace. The industry-first carbonate co-precipitation process for the preparation of low-cost, high-consistency single-crystal ternary precursors achieved substantial cost reductions compared to traditional processes. The first 225mAh/g ultra-high-performance high-nickel product completed client-side certification. The ultra-small particle size precursor synthesis technology effectively resolved the issue of particle adhesion and agglomeration. In cobalt-based materials, the high-voltage

tricobalt tetroxide synthesis technology was continuously iterated, with 4.55V products in mass production and 4.60V products under parallel development. Multi-element synergistic doping and precise morphological structure control addressed the issue of lattice instability in high-voltage systems. The ultra-high specific surface area nano tricobalt tetroxide, used for ternary cathode surface coating modification, effectively improved initial coulombic efficiency, cycle life and rate performance. In phosphorus-based materials, the fourth-generation liquid-phase co-precipitation iron phosphate synthesis technology achieved concentrated particle size distribution and uniform primary particles. The fourth-generation ultra-high compaction lithium iron phosphate entered pilot-scale production, with fourth-and-a – half and fifth-generation products being advanced in parallel. The spherical lithium iron phosphate synthesis technology produced products with high tap density and low specific surface area, facilitating market entry into overseas markets. The iron red process for lithium iron phosphate preparation achieved a comprehensive cost reduction of approximately 10% compared to traditional routes, with a 1C discharge capacity of $\geq 142\text{mAh/g}$ and a plateau ratio of $\geq 90\%$. The high-power lithium iron phosphate products covered ultra-fast charging, start-stop power supply and other niche market segments. Lithium iron manganese phosphate materials were extended towards higher voltage directions. In sodium-based materials, the polyanionic (NFPP) cathode materials achieved integrated process integration and stable pilot-scale scale-up, featuring high capacity and high compaction characteristics. The layered oxides achieved significant reductions in overall production costs through the introduction of low-cost industrial-grade iron sources and innovative complexing-agent-free processes. In smelting processes, the Company pioneered the global application of the oxygen-enriched side-blown (OESBF) process for smelting laterite nickel ore, achieving a major technological breakthrough in pyrometallurgy. The industry-first centrifugal extraction technology driven the transformation of nickel and cobalt hydrometallurgy towards high-efficiency and environmental friendliness. Both technologies have been validated through industrial-scale application. The Company's technological leadership continued to be reinforced, providing core impetus for long-term performance growth.

II. CORE COMPETITIVENESS ANALYSIS

After years of development, the Company has established a multi-dimensional core competitiveness framework spanning materials science, a “resources + materials” ecosystem, deep globalization, customer resources and brand equity, digitalized and intelligent manufacturing, and sustainable development. These strengths will enable the Company to achieve high-quality, leapfrog growth in the new industry cycle.

(I) *Leading Material Science Advantages*

The Company possesses a comprehensive portfolio of new materials, including nickel-based, cobalt-based, phosphorus-based, and sodium-based materials. This diverse range enables the Company to fully cover ternary lithium batteries, lithium cobalt oxide batteries, lithium iron phosphate batteries, sodium-ion batteries, and solid-state/semi-solid-state batteries, as well as their corresponding application areas.

Starting with midstream materials, the Company extends upstream and downstream, gaining stronger control over core value segments of the industry chain. Correspondingly, the Company has established significant differentiated advantages in each material category: in nickel-based and cobalt-based materials, the Company is a global leader and pioneer in the ternary precursor industry, continuously maintaining its industry-leading position as of the first half of 2026; in phosphorus-based materials, the Company has rapidly caught up, with shipments in the first half of 2026, excluding industry self-supply, ranking first in the external sales market, successfully achieving a turnaround from loss to profit; in sodium-based materials, the Company has achieved mass production of dual-technology routes, with product shipments reaching the two-thousand-ton level, establishing a first-mover barrier before the large-scale commercial application of sodium-ion batteries.

The Company leads the development of materials science with technology, achieving numerous industry-first results over the years, and maintains a leading position in next-generation technology and materials research, development, and production. It has established a full-stack, integrated R&D platform covering the entire lifecycle, from mineral smelting technology and new material research and development to large-scale production, production equipment design and optimization, product testing and evaluation, and end-use material recycling, enabling seamless integration from R&D results to large-scale production, and efficiently helping the Company and its downstream customers respond quickly to market changes, continuously optimize material performance, efficiently iterate products, or drive cost reduction across the industry chain. For example:

- (1) Industry-first ultra-high nickel ternary precursor, achieving an energy density of up to 230mAh/g;
- (2) The Company developed dedicated high-nickel precursors for eVTOL scenarios, achieving breakthroughs in high rate capability, high safety, and high-temperature performance;
- (3) Significant breakthroughs were achieved in the customized design of precursor synthesis technology for solid-state batteries around the core requirements of structural stability and interface optimization, with shipments exceeding the hundred-ton level during the Reporting Period, taking the lead in entering the large-scale application verification stage;
- (4) The Company launched its first high-concentration doping + coating medium-nickel high-voltage single crystal sample, featuring low cost, high capacity, low impedance, and long cycle life, meeting the demand for high energy density and fast charging in intelligent driving;

- (5) The Company's 4.55V high-voltage lithium cobalt oxide precursor has entered mass production, with multiple products of 4.55V and above advancing in echelons (one generation in mass production, one generation under development, and one generation in reserve), deeply embedded in the next-generation product iteration chains of leading customers;
- (6) The Company developed ultra-high specific surface area nano tricobalt tetroxide. Through unique crystal-plane growth control technology, this product significantly increases the active sites of the material, and when used as an additive for lithium-ion battery cathode materials, it can effectively improve the rate performance and cycle stability of batteries;
- (7) The fourth-generation high-compaction-density LFP cathode material entered the trial production stage. The 4.5th-generation and 5th-generation high-compaction-density LFP cathode materials, as well as the fourth-generation high-compaction-density LFP cathode material using the iron red route and high-compaction-density lithium iron manganese phosphate cathode materials, have entered the transition from small-scale testing to pilot testing;
- (8) The Company's experimental titanium-doped iron phosphate precursor effectively improves the kinetic performance of lithium iron phosphate cathode materials by enhancing ion diffusion, electronic conductivity, and structural stability;
- (9) The Company developed the industry's first low-cost polyanionic polymer (NFPP) precursor for sodium-ion batteries;
- (10) The Company was the first in the world to adopt the oxygen-enriched side-blown (OESBF) process for smelting laterite nickel ore, marking a major breakthrough in global nickel ore pyrometallurgical technology;
- (11) The Company's pioneering centrifugal extraction technology has driven the transformation of nickel and cobalt hydrometallurgy towards high-efficiency, environmentally friendly modern process.

(II) Unique “Resources + Materials” Ecosystem Advantages

The current global revaluation of resources continues to deepen, with production factors and strategic resources gaining significantly in importance. Resource security has become a core element of industrial competition. Leveraging profound insights into industry cycles and rich operational experience, the Company efficiently deploys resources counter-cyclically, precisely seizing the bottom of the industry cycle window to acquire high-quality critical mineral assets globally, establishing a business positioning of “Resources + Materials” and forming a new materials ecosystem that spans “resource extraction, smelting and processing, material production, and secondary resource recycling”.

In nickel, the Company has taken the lead in achieving the ecological closed-loop of nickel industry chain. Focusing on high-quality lateritic nickel ore in Indonesia, the Company has locked in over 700 million wet tons of nickel ore resources through diversified methods such as investment, long-term agreements, and offtake arrangements, providing a solid resource base for the nickel industry chain. Against the backdrop of tightening global nickel industry chains, the aforementioned resource layout possesses outstanding strategic value and cost advantages, effectively ensuring raw material supply security. The Company possesses about 200,000 metal tons of nickel smelting capacity in Indonesia, employing a dual-technology approach of OESBF+RKEF to build a multi-product output channel, capable of comprehensively meeting the raw material needs for various nickel-based ternary precursors. The Company has therefore achieved a transition from primarily external procurement of nickel raw materials to a model combining “self-supply + externally sourced intermediates”, maximizing supply chain value. Besides supplying its own nickel-based materials, the produced nickel products can be flexibly sold externally as nickel-iron, nickel matte, electrolytic nickel, or further processed into high-purity nickel plates, depending on market conditions, thus optimizing profitability and improving operational efficiency. Additionally, the Company can extract cobalt, copper, and germanium as byproducts through smelting processes.

Regarding phosphorus, the Company possesses high-quality phosphate rock resources in Kaiyang, Guizhou, with reserves of approximately 98.44 million tons and a planned annual mining scale of 2.8 million tons. The project officially commenced construction on December 31, 2025, providing a stable phosphorus resource guarantee for the downstream industry chain. The phosphate rock project, along with the existing iron phosphate and lithium iron phosphate production capacity at the Kaiyang base, constitute an integrated “mining-chemical-materials-recycling” system for phosphorus-based materials, perfecting the phosphorus-based ecological closed loop and forming a new profit contribution point. Furthermore, the high-iron content of nickel matte produced as a byproduct of the Indonesian smelting line can be used in lithium iron phosphate production, achieving resource synergy.

In the lithium sector, the Company has focused on acquiring high-quality salt lake lithium mines in Argentina at low cost during the cycle’s downturn. It controls lithium resources exceeding 10 million tons in lithium carbonate equivalent (LCE), and these resources are expected to increase further with continued exploration. This secures low-cost lithium resources for future development and effectively guarantees long-term lithium resource security.

This unique “resource + materials” ecosystem enhances the Company’s risk management capabilities, forming the cornerstone of its cost advantage and providing greater performance potential and flexibility for the Company.

(III) Deep Globalization Advantages

The world is undergoing accelerated changes unseen in a century, characterized by intensifying geopolitical rivalry, the collective rise of emerging markets, and the deep penetration of technological revolutions represented by artificial intelligence. These factors collectively drive the global landscape's accelerated transition from unipolar dominance towards multipolar balance. Corporate operational priorities are shifting from pure efficiency to a balance of efficiency and security. Industrial division of labor is moving from global collaboration towards regional restructuring under the influence of major power balancing. Trade rules, industrial policies, and technological changes are collectively reshaping the global industrial competition landscape. The Company's main downstream industries are all global-scale super-markets, making deep globalization capability a prerequisite for participating in subsequent market competition.

The Company adheres to a globalization strategy, proactively adapting to global industrial transformation trends and actively responding to external challenges. Leveraging its outstanding rapid industrialization capabilities and global operational capabilities, it has built a global product supply, technical service, and resource security system, forming multiple core competitive advantages, including differentiated market positioning, leading cost control, and localized adaptation. The Company has gradually established a deep globalization advantage integrating "business + industry + resources + capital".

On the market side, it adopts a flexible global expansion strategy to adapt to different market conditions and opportunities, actively collaborating with leading overseas local companies and building a business ecosystem with global partners to better cope with complex overseas operating environments. On the supply chain side, the Company is accelerating the construction of an independent, controllable, secure, and efficient global supply chain system, continuously optimizing global resource allocation, ensuring a stable supply and cost advantage of core raw materials, and consolidating the foundation for long-term development.

In its strategic regional layout, the Company adheres to a location-specific, precise, and supply-chain-coordinated approach, creating distinctive and mutually supportive global industrial bases:

In Indonesia, the Company has achieved synergistic development across the entire industry chain and deep localization operations. Through industrial cooperation, vertical and horizontal collaboration, and in-depth localization, it has become a successful model for the international development of Chinese enterprises.

In Morocco, leveraging the region's abundant phosphate resources, the Company is building a strategic hub targeting the European and American markets, constructing a battery recycling system covering the European and North American markets, and strengthening its regional influence and circular economy capabilities.

In South Korea, the Company has established a battery material production base, deeply serving core customers in the world's second-largest battery producer, further consolidating its advantages in the high-end market.

(IV) Customer Resources and Brand Advantages

The Company drives business development through technological leadership. Through its robust material science capabilities, leading product performance and scale position, deep globalization capabilities, and closed-loop industry chain ecosystem advantages, the “CNGR” brand has gained widespread recognition across global markets. The Company has a globalized, multi-dimensional high-quality core customer system connecting “complete vehicles, batteries, and cathode materials”. It has established stable cooperative relationships with top-tier clients. Concurrently, in terms of new energy metal products, the Company has established a comprehensive, multi-dimensional cooperation model with top-tier clients such as Trafigura, IXM, and Jinchuan.

The Company consistently adheres to an open and collaborative technology cooperation philosophy with customers, ensuring the flexibility and scalability of its production capacity, and continuously deepening its strategic collaborative relationships with leading global customers. By partnering with high-quality partners, the Company achieves deep integration with leading customers. Currently, it has signed strategic cooperation agreements or long-term supply contracts with major cooperative customers, forming a stable cooperative pattern across multiple levels, including resource development, product sales, processing and manufacturing, and information sharing.

The Company’s electrolytic nickel products have been successfully registered as delivery brands on the SHFE and the LME, significantly enhancing market recognition and product liquidity, and further consolidating its leading position in the industry.

(V) Digitalized and Intelligent Manufacturing Advantages

The Company adheres to a full-cost leadership strategy, practices “digitalized operations,” and boasts a prominent market position and significant scale advantages, with its intelligent manufacturing level leading the industry. The Company integrates cost reduction principles throughout the entire lifecycle of “resources-raw ore refining-raw material refining-material manufacturing-recycling,” continuously improving its intelligent manufacturing level and reducing production costs through a combination of technological innovation (such as material development and contract process optimization), intelligent manufacturing (AI and automation), supply chain optimization (centralized procurement and logistics integration), and energy management (green electricity application and energy efficiency improvement).

The Company has built a comprehensive digital platform to achieve end-to-end operational management, integrating advanced technologies in design, processes, and equipment to shorten development cycles and enhance decision-making capabilities. By digitizing the entire manufacturing process from R&D to mass production, the Company can optimize production efficiency through real-time adjustments. With the support of advanced technologies such as robotics, the Internet of Things, and artificial intelligence, this system ensures operational safety and cost-effectiveness in all business functions.

The Company continues to improve its manufacturing capabilities through automation and digitalization. Since 2020, the Company has gradually transformed all its domestic production bases into intelligent manufacturing facilities, introducing MES systems, SAP/ERP systems, and AGV technology. This has significantly improved manufacturing efficiency in several key areas. For example, the MES system enables automated error prevention and real-time detection of material feeding, achieving a 0% error rate and improving quality control; the integrated information management system enables real-time data transmission, effectively reducing average inspection time; the intelligent feeding system improves production efficiency; and the adoption of AGV automated logistics technology effectively improves overall productivity and cost efficiency.

Quality control is also crucial. The Company is committed to maintaining product consistency at large-scale production levels. Its main production equipment is independently designed and manufactured, enabling a high-efficiency transition from R&D to large-scale production, effectively improving product consistency and reducing manufacturing costs. The Company has a professional team of approximately 300 engineers focused on engineering process development, optimization, and construction. It has implemented an integrated construction management system covering design, process control, procurement, and logistics, achieving efficient and centralized execution, particularly suitable for complex overseas projects. The Company is currently the only Chinese enterprise to have successfully built and operated a new energy materials production facility in Morocco. This advanced and intelligent manufacturing capability ensures that the Company provides superior value to its customers and maintains a cost advantage and industry-leading position.

(VI) Sustainable Development Advantages

The Company focuses on the field of new materials, using materials science to drive high-quality development of the energy and power industry and cutting-edge technology industry. In this process, the Company deeply integrates ESG principles and builds a new model for sustainable development. Guided by a dual-wheel strategy of “technology-driven + green intelligent manufacturing,” and relying on a globally leading “resources + materials” ecosystem, the Company innovatively develops low-carbon processes and circular economy solutions. Through material performance improvement and production process innovation, it helps customers significantly reduce energy consumption and carbon emission intensity. Simultaneously, the Company is building an ecological supply chain system covering “resource end-smelting end-materials end-recycling end,” working with global partners to create zero-carbon industrial parks, continuously improving the level of green electricity substitution and industrial resource recycling, and focusing on promoting social sustainable development with clean energy.

The Company continues to embed ESG governance into its strategy, operations, and full-chain management. In March 2026, MSCI upgraded the Company’s ESG rating from AA to AAA, the highest rating globally, placing it among the first tier of global ESG leaders. The Company was also included in the S&P Global Sustainability Yearbook (China Edition) 2026 (《可持續發展年鑒(中國版) 2026》) and received the distinction of being in the top 1% of Chinese companies in the CSA score, establishing a multi-dimensional ESG value certification system comprising “top-tier rating + authoritative list + professional yearbook”.

Meanwhile, the Company is actively building a “platform + talent + incentives” value management system, forging sustainable competitiveness across multiple dimensions including organizational development, talent development, cadre pipeline building, and incentive mechanisms. The core team efficiently implements various major strategies, driving the Company’s steady and sustainable development.

FINANCIAL ANALYSIS

Revenue

During the Reporting Period, we primarily generated revenue from (i) the sales of new energy battery materials, including four main categories based on the primary metal or chemical element, namely, nickel-based materials, cobalt-based materials, phosphorus-based materials and other innovative materials; (ii) the sales of new energy metal products, substantially all of which were nickel products consisting of nickel intermediates and electrolytic nickel, with the remainder being cobalt and copper products and (iii) others, which mainly include revenue from metals trading, resales of raw materials and contract manufacturing services.

By products

The table below sets forth the breakdown of our revenue by products for the periods indicated:

	Six months ended June 30, 2026 (Unaudited) (RMB'000)		Six months ended June 30, 2025 (Unaudited) (RMB'000)	
		%		%
New energy battery materials				
Nickel-based Materials	12,926,931	38.5%	7,490,866	35.1%
Cobalt-based materials	2,635,551	7.8%	1,451,943	6.8%
Phosphorus-based materials	1,039,557	3.1%	670,075	3.1%
Other innovation materials ⁽¹⁾	28,041	0.1%	19,368	0.1%
Sub-total	16,630,080	49.5%	9,632,252	45.2%
New energy metal products	10,110,035	30.1%	9,272,895	43.5%
Other ⁽²⁾	6,844,211	20.4%	2,417,400	11.3%
Total	33,584,326	100.0%	21,322,547	100.0%

Notes:

- (1) Other innovative materials mainly include sodium-based pCAM.
- (2) Others mainly include revenue from metals trading, resales of raw materials and contract manufacturing services.

By geographical location

The table below sets forth the breakdown of our revenue by geographical location for the periods indicated. Geographical location is solely based on the places of registration of our direct customers, which may not align with the delivery destinations or end markets of our products for the periods indicated.

	Six months ended June 30, 2026		Six months ended June 30, 2025	
	(Unaudited)		(Unaudited)	
	(RMB'000)	%	(RMB'000)	%
Chinese mainland	20,248,845	60.3%	10,538,496	49.4%
Overseas ⁽¹⁾	13,335,481	39.7%	10,784,051	50.6%
Total	33,584,326	100.0%	21,322,547	100.0%

Note:

(1) Mainly include South Korea, Singapore, Indonesia and Hong Kong

Cost of sales

Our cost of sales primarily consists of (i) cost of raw material, mainly including nickel ores, nickel and cobalt intermediates, and other auxiliary materials such as sulfuric acid and sodium hydroxide, (ii) manufacturing costs and others, mainly including transportation costs, and (iii) labor costs. The table below sets forth the breakdown of our cost of sales for the periods indicated:

	Six months ended June 30, 2026		Six months ended June 30, 2025	
	(Unaudited)		(Unaudited)	
	(RMB'000)	%	(RMB'000)	%
Raw materials	23,740,594	81.1%	14,542,891	77.4%
Manufacturing costs and others	4,836,406	16.5%	3,733,167	19.9%
Labor	692,673	2.4%	503,966	2.7%
Total	29,269,673	100.0%	18,780,024	100.0%

Gross profit and gross profit margin

By products

The table below sets forth the breakdown of our gross profit and the gross profit margin by products for the periods indicated:

	For the six months ended June 30, 2026 (Unaudited)		For the six months ended June 30, 2025 (Unaudited)	
	<i>Gross Profit</i> (RMB'000)	<i>Gross Profit</i> Margin (%)	<i>Gross Profit</i> (RMB'000)	<i>Gross Profit</i> Margin (%)
New energy battery materials				
Nickel-based materials	2,216,083	17.1%	1,334,942	17.8%
Cobalt-based materials	381,492	14.5%	375,877	25.9%
Phosphorus-based materials	81,193	7.8%	(70,199)	(10.5%)
Other Innovative materials	(2,036)	(7.3%)	(9,072)	(46.8%)
Sub-total	2,676,732	16.1%	1,631,548	16.9%
 New energy metal products	 1,248,146	 12.3%	 690,171	 7.4%
Others	389,775	5.7%	220,804	9.1%
Total	4,314,653	12.8%	2,542,523	11.9%

	For the six months ended June 30, 2026 (Unaudited) (RMB'000)	For the six months ended June 30, 2025 (Unaudited) (RMB'000)
Gross profit per ton⁽¹⁾		
Nickel-based materials	15.1	13.6
Cobalt-based materials	42.6	32.2

Note:

- (1) Calculated by dividing gross profit from sales of new energy battery materials by the total volume (in metric tons) sold during the Reporting Period.

During the Reporting Period, the gross profit margin for our nickel-based materials slightly decreased to 17.1%, while the gross profit per ton increased to approximately RMB15,100. The increase in gross profit per ton was mainly due to the increase in nickel benchmark prices.

The gross profit margin for our cobalt-based materials decreased to 14.5%, while the gross profit per ton increased to approximately RMB42,600. The increase in gross profit per ton was mainly due to increase in cobalt benchmark prices.

The gross profit margin for our phosphorus-based materials has turned positive, reaching 7.8%. Such increase in gross profit margin was primarily due to the gradual release of production capacity bringing economies of scale, coupled with a recovery in downstream demand.

The gross profit margin of new energy metal products significantly increased to 12.3% during the Reporting Period, primarily due to the recovery in nickel product market prices.

By geographical location

The table below sets forth the breakdown of our gross profit and the gross profit margin by geographical location for the periods indicated. Geographical location is solely based on the places of registration of our direct customers, which may not align with the delivery destinations or end markets of our products for the periods indicated.

	For the six months ended June 30, 2026 (Unaudited)		For the six months ended June 30, 2025 (Unaudited)	
	Gross Profit (RMB'000)	Gross Profit Margin (%)	Gross Profit (RMB'000)	Gross Profit Margin (%)
Chinese Mainland	2,861,114	14.1%	1,401,750	13.3%
Overseas ⁽¹⁾	1,453,539	10.9%	1,140,773	10.6%
Total	<u>4,314,653</u>	<u>12.8%</u>	<u>2,542,523</u>	<u>11.9%</u>

Note:

(1) Mainly include South Korea, Singapore, Indonesia and Hong Kong.

Typically, the gross profit margin for our new energy battery materials from overseas customers was higher than that of the customers in Chinese Mainland, primarily because the products demanded by our overseas customers are more advanced and high-end compared to those preferred by domestic customers, who tend to be more cost-sensitive. The overall gross profit margin from overseas increased from 10.6% for the six months ended June 30, 2025 to 10.9% for the six months ended June 30, 2026, primarily due to the increase in gross profit margin of nickel products sold overseas. The gross profit margin in Chinese Mainland increased from 13.3% for the six months ended June 30, 2025 to 14.1% for the six months ended June 30, 2026, primarily due to the fact that the gross profit margin of phosphorus-based materials sold in Mainland China has shifted from negative to positive, and recorded an increase in gross profit margin of cobalt-based materials.

Selling and Marketing Expenses

Our selling and marketing expenses primarily include (i) salaries, compensations and benefits for our selling and marketing employees, (ii) consulting fees mainly for commissions for product promotion activities, (iii) traveling expenses, and (iv) business development expenses. During the Reporting Period, our selling and marketing expenses significantly increased from approximately RMB48.0 million for the six months ended June 30, 2025 to approximately RMB70.0 million for the six months ended June 30, 2026, primarily due to the increase in sales staff remuneration driven by business growth.

Administrative Expenses

Our administrative expenses primarily comprise (i) salaries, compensations and benefits for our employees in administrative functions, (ii) professional service fees primarily related to overseas investments, acquisitions, and mineral resource exploration, (iii) depreciation and amortization, (iv) traveling, business development and office expenses, and (v) taxes, stamp duties and surcharges, (vi) finance expenses for bank charges; other expenses such as property management fees, training expenses and recruitment expenses. During the Reporting Period, the Group's administrative expenses increased from approximately RMB636.7 million for the six months ended June 30, 2025 to approximately RMB886.9 million for the six months ended June 30, 2026, representing an increase of 39.3%, which was primarily attributable to the integration and globalization of the Company, resulting in increased management remuneration.

Research and Development Expenses

Our research and development expenses primarily comprise (i) salaries, compensations and benefits for our research and development employees, (ii) raw materials consumed during the research and development process, mainly include nickel and cobalt materials, and (iii) depreciation and amortization for equipment associated with our research and development activities. During the Reporting Period, research and development expenses slightly increased from approximately RMB544.8 million for the six months ended June 30, 2025 to approximately RMB588.9 million for the six months ended June 30, 2026, representing an increase of 8.1%, primarily attributable to the Company's emphasis on research and development.

Other Income and Gains

Our other income and gains primarily include (i) government grants and (ii) bank interest income for our deposits in banks. Our government grants mainly represent incentives received from governments, including non-recurring grants, as well as recurring VAT deductions. There are no unfulfilled conditions or contingencies relating to these grants. For the six months ended June 30, 2025 and for the six months ended June 30, 2026, our total other income and gains were approximately RMB267.1 million and approximately RMB283.6 million, respectively. During the same periods, the government grants we received and recognized in profit or loss were approximately RMB133.1 million and approximately RMB80.7 million, respectively.

Other expenses

Our other expenses primarily include the expenses relating to foreign exchange loss. During the Reporting Period, our other expenses significantly increased from approximately RMB238.6 million for the six months ended June 30, 2025 to approximately RMB709.3 million for the six months ended June 30, 2026, primarily attributable to the increase in foreign exchange losses.

Finance costs

Our finance costs mainly comprise interest on bank and other borrowings, which include bonds payable, interest on lease liabilities and other finance expenses. During the Reporting Period, our finance costs decreased from approximately RMB521.1 million for the six months ended June 30, 2025 to approximately RMB441.4 million for the six months ended June 30, 2026, primarily attributable to the optimization of debt structure.

Profit for the Period

As a result of the foregoing, our profit for the period significantly increased from approximately RMB705.7 million for the six months ended June 30, 2025 to approximately RMB1,805.8 million for the six months ended June 30, 2026.

Discussion of certain selected items from the consolidated statement of financial position and relevant matters

Property, Plant and Equipment

Our property, plant and equipment consist of buildings, leasehold improvements, machinery, vehicles, office devices and others, and construction in progress. Property, plant and equipment of our Group decreased by approximately 6.9% from approximately RMB30,799.0 million as of December 31, 2025 to approximately RMB28,684.8 million as of June 30, 2026, primarily due to the provision for depreciation and amortization.

Inventories

Our inventories include finished goods, raw materials and work in progress. Our inventories increased by 16.2% from approximately RMB14,663.6 million as of December 31, 2025 to approximately RMB17,044.7 million as of June 30, 2026, primarily attributable to the gradual commissioning of production lines, leading to a corresponding increase in finished goods, coupled with rising metal prices driving up inventory levels.

Trade and Bills Receivables

Our trade receivables mainly arise from the provision of new energy battery materials. We typically provide credit terms of around one to two months to our customers for new energy battery materials. We periodically conduct credit evaluations of customers who trade on credit. Based on the results of the credit evaluations, we select to transact with approved and creditworthy customers and monitor their receivable balances to ensure that we are not exposed to significant credit risk. No collateral is required as we only deal with approved and

creditworthy third parties. Credit risk concentration is managed on a customer-by-customer basis. Our trade receivables are non-interest-bearing. Our trade and bills receivables increased from approximately RMB7,526.8 million as of December 31, 2025 to approximately RMB7,967.7 million as of June 30, 2026, primarily due to the increase in sales of our nickel-cobalt-based materials.

Prepayment, deposits and other receivables

Our prepayments, deposits and other receivables primarily includes (i) prepayments mainly for raw materials for our new energy battery materials, (ii) deposits and other receivables, mainly including the receivables from our affiliates for our loans to those affiliates, and (iii) tax receivables for input tax associated with the construction and establishment of production bases, which were expected to be recovered in the future. Our prepayments, deposits and other receivables increased from approximately RMB6,255.9 million as of December 31, 2025 to approximately RMB7,866.0 million as of June 30, 2026, primarily due to the increase in loans provided to affiliates for the establishment of overseas production bases and daily operation.

Trade and Bills Payables

Our trade and bills payables primarily comprise our payables for construction, equipment and raw materials. Our trade and bill payables are non-interest-bearing. The settlement period for our trade and bills payables typically ranges from one to two months. Our trade and bills payables increased from approximately RMB15,669.1 million as of December 31, 2025 to approximately RMB20,170.4 million as of June 30, 2026, primarily due to the increase in use of bills payable for payment of raw materials and equipment.

Other Payables and Accruals

Our other payables and accruals mainly include (i) contract liabilities, which mainly represent short-term advances from customers for our products; (ii) payroll and welfare payables; (iii) amounts due to non-controlling shareholders in respect of advances made by them to our subsidiaries (interest-bearing); (iv) other payables; (v) other taxes payable; and (vi) other current liabilities. Our other payables and accruals increased from approximately RMB1,414.7 million as of December 31, 2025 to approximately RMB2,232.9 million as of June 30, 2026, primarily attributable to an increase in customer prepayments.

Capital Structure

The total assets of our Group increased from approximately RMB81,607.9 million as of December 31, 2025 to approximately RMB89,725.0 million as of June 30, 2026. The total liabilities of our Group increased from approximately RMB47,985.7 million as of December 31, 2025 to approximately RMB55,465.0 million as of June 30, 2026. The liabilities-to-assets ratio increased from 58.8% as of December 31, 2025 to 61.82% as of June 30, 2026. The current ratio of our Group, being current assets divided by current liabilities as of the respective dates, decreased from 1.34 times as of December 31, 2025 to 1.27 times as of June 30, 2026.

Liquidity and Capital Resources

Our Group adopts a prudent funding and treasury policy with a view to optimize its financial position. Our Group regularly monitors its funding requirements to support its business operations and perform ongoing liquidity review. Our primary uses of cash are to satisfy its working capital, capital expenditure and investment needs.

For the Reporting Period, our Group financed its operations primarily through cash generated from our operating activities, and banking facilities. Our cash and cash equivalents increased by approximately 38.7% from approximately RMB8,567.6 million as of December 31, 2025 to approximately RMB11,882.1 million as of June 30, 2026, primarily due to the increase in net cash inflow from bank financing.

Gearing Ratio

Gearing ratio is calculated by interest-bearing bank borrowings, bonds payable, amount due to non-controlling shareholders, convertible bonds and lease liabilities divided by the ending balance of total equity and multiplied by 100%. The gearing ratio of our Group increased from 83.1% as of December 31, 2025 to 91.3% as of June 30, 2026, primarily due to the increase in interest-bearing debt.

Indebtedness

Bank borrowings

As of December 31, 2025 and June 30, 2026, our interest-bearing bank borrowings (with effective interest rates typically ranging from 1.8% to 4.75%) amounted to approximately RMB26,964.6 million and approximately RMB30,204.8 million, respectively. The borrowings of our Group are mainly denominated in Renminbi. Such bank loans were primarily used for capital expenditure and working capital purposes, which mostly secured by guarantees provided by related parties, mortgaged buildings and mortgaged leasehold land.

Bonds Payable

On March 3, 2022, we issued green bonds of US\$100 million with an annual interest rate of 4.55%.

Amount due to non-controlling shareholders

Our amount due to non-controlling shareholders was advances from non-controlling shareholders to our subsidiaries, which is non-trade nature, interest-bearing and mainly used for capital expenditures and operational purposes. As of December 31, 2025 and June 30, 2026, we had amount due to non-controlling shareholders of approximately RMB247.6 million and approximately RMB342.3 million, respectively. Such amounts were mainly used for capital expenditures and operational purposes.

Convertible bonds

On July 18, 2024, one of our subsidiaries issued convertible bonds with a nominal value of KRW70,000,000,000 (equivalent to approximately RMB356.4 million) and a coupon rate of 3.03%. During the Reporting Period, the remaining convertible bonds were converted into the shares of the subsidiary. The bonds are convertible at the option of the bondholders into ordinary shares on July 18, 2025 on the basis of one ordinary share for every KRW1,515 bonds held. The bonds bear an interest of 3.03% on the principal amount and will be settled upon its maturity date.

Lease liabilities

Our lease liabilities increased from approximately RMB25.1 million as of December 31, 2025 to approximately RMB32.3 million as of June 30, 2026, primarily due to the new leasing arrangements during the Reporting Period, resulting in a corresponding increase in lease payables.

Accounts payable for equipment

As of December 31, 2025 and June 30, 2026, we recorded accounts payable for equipment of approximately RMB940.9 million and approximately RMB960.5 million, respectively. Our accounts payable for engineering equipment was discounted due to its financial attributes.

Contingent liabilities

As of December 31, 2025 and June 30, 2026, we did not have any contingent liabilities.

Capital Expenditures

Our capital expenditures are primarily cash for purchase of items of property, plant and equipment. As of June 30, 2026, our capital expenditure amounted to approximately RMB1,114.3 million, representing a decrease of approximately 35.1% as compared to approximately RMB1,717.9 million as of June 30, 2025, primarily due to the decrease in procurement of property, plant and equipment based on business needs.

Employee and Remuneration

As of June 30, 2026, our Group had 19,392 full-time employees. During the Reporting Period, the Group recognized staff costs of approximately RMB1,532.9 million, representing an increase of approximately 10.9% as compared to approximately RMB1,382.4 million for the six months ended June 30, 2025. Such increase was primarily due to the increase in salaries driven by our business expansion.

We provide our employees with certain benefits including social insurance coverage and retirement benefits. We enter into individual employment contracts with our employees to cover matters such as wages, employee benefits, confidentiality and grounds for termination. Our employees' compensation is determined with reference to their job positions, technical skills, job performance and competition.

We have various employee training programs that aim to enhance our employees' technical skills and R&D capability. Our employee training system is centered around three pillars, namely our operational system, our class system and our instructor system. Our operational system governs the design and implementation of our training policies; our class system decides our training content, and our instructor system makes sure that we have the right instructors who can properly train and inspire our employees.

Pledge of Assets

As of June 30, 2026, the cash and cash equivalents of our Group in the aggregate amount of RMB1,748.2 million were pledged for bills receivable, letter of credit, futures, standby letter of credit, supervision account and others.

As of June 30, 2026, the bill receivables, buildings, constructions in progress and leasehold land of our Group in the aggregate carrying amount of RMB1,306.2 million were pledged for discounting and our borrowings.

Save as disclosed above, our Group had no other pledged assets as of June 30, 2026.

Significant Investment, Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures

There was no significant investment, material acquisition and disposal of subsidiaries, associates and joint ventures by our Group during the Reporting Period. In addition, save as disclosed in this announcement and save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the Prospectus, there were no specific plan authorized by the Board for other material investments or acquisition of capital assets as of the date of this announcement. However, our Group will continue to identify new opportunities for business development.

Use of Proceeds

Our Company was listed on the Main Board of HKEX on November 17, 2025. The net proceeds from the Global Offering amounted to approximately HKD3,432.6 million and gross proceeds of approximately HKD3,543.7 million. The issue price per H share and the net price per H Share offered under the Global Offering were HK\$34.00 and approximately HK\$32.93, respectively. Our Company intends to use the net proceeds in the same manner and proportion as set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus. The below table sets out the net proceeds during the Reporting Period:

Intended use of net proceeds	Percentage of intended use of net proceeds (%)	Net proceeds from the Global Offering (In HKD millions)	Amount utilized as of December 31, 2025 (In HKD millions)	Amount utilized as of June 30, 2026 (In HKD millions)	Amount unutilized as of June 30, 2026 (In HKD millions)	Expected timeline of full utilization of the net proceeds
Expand production and supply chain capabilities	50.0	1,716.3	237.2	349.0	1,367.3	
Construction of the 12,500-tonne LFP project in South Korea (originally declared as a ternary cathode material project, requiring change in the use of funds and ODI filing)	35.0	1,201.4	–	–	1,201.4	By the end of 2027
Development of Kaiyang phosphate mine	15.0	514.9	237.2	349.0	165.9	By the end of 2028
R&D of new energy battery materials and advancing digitalization	40.0	1,373.0	948.4	973.4	399.6	
R&D of new energy battery materials	25.0	858.2	858.2	858.2	–	By the end of 2028 ^(Note)
Digitalization construction	15.0	514.9	90.2	115.2	399.6	By the end of 2027
Working capital and other general corporate purposes	10.0	343.3	343.3	343.3	–	By the end of 2026
Total	100.0	3,432.6	1,528.9	1,665.8	1,766.8	

Note: The usage of net proceeds has been utilized in advance attributable to adjustments made to the project construction schedule.

The expected timeline for using the unutilized net proceeds is based on the best estimation of the business market situations made by the Board. It might be subject to changes based on the market conditions. Further announcement(s) and/or disclosure in our annual report(s) in respect of change in timeline, if any, will be made by our Company in accordance with the requirements of the Listing Rules as and when appropriate to update its shareholders and potential investors. Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding.

MAJOR RISKS FACED BY THE COMPANY AND COUNTERMEASURES

1. Geopolitical Risks

Profound changes in the global political, economic, and social environment, coupled with the rise of anti-globalization and resource nationalism, pose multiple challenges to the international community and supply chains and industrial chains. Policies such as export bans, quota controls, increased export tariffs, and industry access restrictions imposed by some countries may limit the Company's access to core resources and expansion into overseas markets, thereby adversely affecting overseas project construction, production and operation, and profitability.

To proactively address the uncertainties of the global environment, the Company actively promotes a diversified supply chain layout and advances integrated overseas investment, extending from mining to smelting and materials processing, building a community of shared interests. Simultaneously, it deeply integrates into local industrial chains, creating jobs and tax revenue, reducing policy resistance in resource-rich countries; and strengthens overseas compliance to avoid sanctions and regulatory risks.

2. Industry Competition Risks

With the booming development of the EV market, precursors and cathode materials, as key components of core materials for power batteries, have attracted numerous new companies. At the same time, existing companies are accelerating capacity expansion, leading to increasingly fierce industry competition. Against this backdrop, a clear trend of enterprise differentiation is emerging, with the market share of industry leaders continuing to rise. If the Company fails to maintain its leading edge in technology research and development, cost control, and brand building, it will face the risk of declining market share and gross profit margin.

To address this challenge, the Company leverages its industry-leading position, integrating advantages in R&D, quality, customers, and scale to continuously improve its global service capabilities, customer synergy, and supply chain management, further consolidating its core competitiveness and ensuring its continued industry leadership and steady growth.

3. Industry Consolidation Risks

The industry faces overcapacity in low-end products and insufficient supply in high-end products, leading to fierce price competition and significant pressure for companies to exit the market as industry concentration increases. Vertical integration can easily lead to high debt and tight cash flow; cross-segment management and cultural and technological synergy are challenging; and project production falling short of expectations can weaken cost advantages. Furthermore, the rapid iteration of technologies such as solid-state batteries and sodium-ion batteries means that if the integration direction misaligns with new technology trends, it may result in asset impairment and a decline in competitiveness.

In response, the Company will promote diversified resource allocation, sign long-term supply agreements, and develop overseas mining and smelting projects; rationally control the pace of capacity expansion, focus on high-end capacity, and improve integration and synergy efficiency through refined management; simultaneously, strengthen compliance and risk control systems, dynamically track policy and technological changes, and ensure supply chain security and operational stability.

4. Operational Management Risks

The rapid growth of the Company business has led to the expansion of assets, liabilities, production and sales, and personnel. At the same time, the development of overseas projects has significantly increased management complexity, placing higher demands on the Company organizational management capabilities. The Company faces increased management challenges in areas such as talent reserves, system construction, and management innovation.

To address this, the Company will continuously improve its system, strengthen management practices, and ensure efficient operation and scientific decision-making in all aspects of its business. Simultaneously, the Company will establish a long-term and effective incentive mechanism to stimulate employee potential and attract and cultivate outstanding talent through a broad development platform and a comprehensive evaluation and feedback system, promoting the orderly and efficient development of the enterprise.

5. Raw Material Price Fluctuation Risk

The prices of key raw materials required for the Company production and operation are significantly affected by market supply and demand and the macroeconomic environment, resulting in frequent fluctuations. Currently, the Company has not established a raw material price adjustment mechanism with its major customers. If raw material procurement prices fluctuate significantly and the Company fails to mitigate risks through precise sales and procurement strategies, or if raw material supply shortages occur, it will have a significant adverse impact on the Company operating performance.

To address this risk, the Company proactively monitors raw material market dynamics, optimizes price transmission mechanisms, and mitigates price volatility risks. Simultaneously, the Company actively develops its upstream supply chain, increases the self-sufficiency rate of raw materials, diversifies intermediate product sources, and reduces the impact of market price fluctuations on performance. Furthermore, the Company engages in commodity hedging, effectively mitigating commodity price volatility risks through the hedging function of the futures market.

6. Foreign Exchange Rate Fluctuation Risk

As the Company overseas business continues to expand, the proportion of foreign currency settlements continues to rise, posing a risk of performance fluctuations arising from exchange gains and losses caused by fluctuations in exchange rates, particularly those involving the US dollar.

To control foreign exchange rate fluctuation risks, the Company has established relevant systems for the approval and management of foreign exchange hedging operations. Under the premise of ensuring safety and liquidity, management is authorized to flexibly choose to use financial instruments such as forward exchange settlement, foreign exchange swaps, currency swaps, and foreign exchange options to reduce the adverse impact of exchange rate changes on the Company profitability.

OTHERS

Corporate Governance

The Board is committed to maintaining high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has adopted the principles and code provisions of the CG Code contained in Appendix C1 of the Listing Rules as the basis of the Company's corporate governance practices.

According to code provision C.2.1 of the CG Code, companies listed on the Hong Kong Stock Exchange should comply with, but may choose to deviate from, the provision that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have separate roles for chairman of the Board and president of our Company, and Mr. Deng Weiming currently holds both roles. The Board believes that having the same individual serve as both chairman of the Board and president of our Company ensures consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. Our Board considers that the balance of power and authority under the current arrangement will not be impaired, and this structure will allow our Company to make and implement decisions promptly and effectively. The Board will continue to review this arrangement and will separate the roles of chairman of the Board and president of our Company at an appropriate time having regard to the overall circumstances of our Group.

Save as disclosed above, the Board is of the view that during the Reporting Period, the Company has complied with all the applicable code provisions as set out in the CG Code.

Material Changes

Save as disclosed in this announcement, there has been no material change regarding the future developments of the business of the Group (including the Company's prospects for the current financial period) since the publication of the Company's 2025 annual report.

Interim Dividends

Based on the total number of shares in the Company's total share capital as at the record date for the implementation of the dividend, after deducting the shares already repurchased in the repurchase account, a cash dividend of RMB3.8 (inclusive of tax) will be distributed for every 10 shares. No conversion of capital reserve into share capital will be made, and no bonus shares will be issued. The above proposal will be submitted for consideration and approval at the extraordinary general meeting of the Company to be convened. Details regarding the interim dividend and its payment, as well as the time arrangement for the suspension of transfer of the H Share register of members, will be separately disclosed in the circular for the extraordinary general meeting. If approved at the extraordinary general meeting, the Company will pay the dividend within two months from the date of the extraordinary general meeting.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

Audit Committee

The Audit Committee currently is consisted of three independent non-executive directors, Mr. Cao Feng, Mr. Hong Yuan and Ms. Wong Sze Wing, and is chaired by Mr. Cao Feng. Mr. Cao Feng and Ms. Wong Sze Wing have the appropriate qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has reviewed the interim results of the Group for the six months ended June 30, 2026 and further discussed the auditing and financial reporting. The Audit Committee considers that the interim results of the Group for the six months ended June 30, 2026 are in compliance with the applicable accounting standards and relevant laws and regulations and have made sufficient disclosure. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period (including sales of treasury shares (if any)).

As of the date of this announcement, the Company held 29,832,872 repurchased A Shares in total as treasury shares and did not hold any H shares of our Company as treasury shares (as defined in the Listing Rules).

Other Significant Matters during the Reporting Period

(1) Election of New Session of the Board

On March 6, 2026, the Board resolved to nominate Mr. Deng Weiming (鄧偉明), Mr. Tao Wu (陶吳), Mr. Liao Hengxing (廖恆星), Mr. Liu Xingguo (劉興國) and Mr. Deng Jing (鄧競) as candidates of executive Directors of the third session of the Board, and to nominate Mr. Cao Feng (曹豐), Mr. Hong Yuan (洪源), Mr. Jiang Liangxing (蔣良興) and Ms. Wong Sze Wing (黃斯穎) as candidates of independent non-executive Directors of the third session of the Board. All of the aforesaid Director candidates are existing Directors. On March 23, 2026, all of the aforesaid Director candidates were re-elected at the general meeting as the Directors of the third session of the Board, and the term is three years, commencing from the date of the Extraordinary General Meeting and terminating upon the expiry of the third session of the Board. Under the Company Law, the Articles of Association and the Shenzhen Listing Rules, the Company held its employees' representative meeting on March 23, 2026. Upon nomination and voting by employee representatives, it was resolved to elect Mr. Li Weihua (李衛華) as the employee representative director of the third session of the Board. There are no changes in the composition of each of the Board committees from that of the second session of the Board. For details, please refer to the announcements of the Company dated March 6, 2026 and March 23, 2026 and the circular of the Company dated March 6, 2026.

(2) Proposed Amendments to the Articles of Association

In accordance with the provisions of the Company Law of the People's Republic of China, the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange ChiNext Market, the Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange No. 2 – Standardized Operation of ChiNext Listed Companies, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and in order to further improve the Company's governance structure and enhance the level of standardized operation, and in light of the Company's actual situation, the Board proposed to amend the Articles of Association of the Company. For details, please refer to the announcements of the Company dated March 30, 2026 and May 22, 2026 and the circular of the Company dated April 28, 2026.

(3) Grant, Vesting and Listing for Trading under 2023 Restricted Share Incentive Scheme

On June 30, 2023, the Company convened its 2023 third Extraordinary General Meeting, which approved the Proposal on the Company's 2023 Restricted Share Incentive Scheme (Draft) and its Summary (《關於公司〈2023年限制性股票激勵計劃(草案)〉及其摘要的議案》), the Proposal on the Company's Measures for Implementation and Assessment Administration of the 2023 Restricted Share Incentive Scheme (《關於公司〈2023年限制性股票激勵計劃實施考核管理辦法〉的議案》), and the Proposal on Authorizing the Board to Handle Matters in Connection with Equity Incentives (《關於提請股東大會授權董事會辦理股權激勵相關事宜的議案》).

On June 12, 2026, the Company convened the fourth meeting of the third session of the Board, which considered and approved the Proposal on the Adjustment of the Grant Price under the First Grant and Reserved Grant of the 2023 Restricted Share Incentive Scheme (《關於調整2023年限制性股票激勵計劃首次及預留授予價格的議案》); the Proposal on the Fulfillment of Vesting Conditions for the Third Vesting Period of the First Grant and the Second Vesting Period of the Reserved Grant under the 2023 Restricted Share Incentive Scheme (《關於2023年限制性股票激勵計劃首次授予第三個歸屬期及預留授予第二個歸屬期歸屬條件成就的議案》); and the Proposal on the Lapse of Certain Granted but Unvested Restricted Shares (《關於作廢部分已授予尚未歸屬的限制性股票的議案》). For all grantees under the first grant in the third vesting period and all grantees under the reserved grant in the second vesting period of this incentive scheme, the Company-level performance reached the trigger value but fell short of the target value. In addition, 144 grantees resigned for personal reasons; 3 grantees had a personal performance evaluation composite coefficient for the previous year of less than 0.9 but not less than 0.8, and their individual-level vesting ratio was 80%; 576 grantees had a personal performance evaluation composite coefficient for the previous year of less than 0.7 but not less than 0.6, and their individual-level vesting ratio was 60%; and 12 grantees had a personal performance evaluation composite coefficient for the previous year of less than 0.6, and their individual-level vesting ratio was 0%. The aforesaid 2,047,653 Restricted Shares granted but unvested shall not vest and shall be forfeited by the Company. A total of 983 grantees who are eligible for vesting are entitled to an aggregate of 2,220,841 Restricted Shares. During the process of registering the vesting of Restricted Shares, under the third vesting period of the first grant of this incentive scheme, 903 grantees met the vesting conditions, among which 9 grantees failed to make payment within the prescribed subscription period and were deemed to have waived this vesting, and correspondingly, 6,197 Class II Restricted Shares that would otherwise have been vested in this vesting were forfeited; under the second vesting period of the reserved grant, 80 grantees met the vesting conditions, among which 1 grantee failed to make payment within the prescribed subscription period and was deemed to have waived this vesting, and correspondingly, 2,290 Class II Restricted Shares that would otherwise have been vested in this vesting were forfeited. The actual number of vesting grantees is adjusted to 973, and the actual number of Restricted Shares subject to vesting is 2,212,354 shares.

On July 6, 2026, the 2,212,354 shares that had vested under the third vesting period of the first grant and the second vesting period of the reserved grant of the 2023 Restricted Share Incentive Scheme became listed for trading. For details, please refer to the overseas regulatory announcement of the Company dated July 2, 2026.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

(1) Proposed Changes in Use of Proceeds from the H Share Global Offering

On August 24, 2026, the Board considered and approved the proposal regarding the changes in use of proceeds from the H Share Global Offering. The Board proposed to reallocate all of the unutilised net proceeds of approximately HK\$1,201.4 million originally allocated to the establishment of the phase I project of the South Korea production base for expanding nickel-based materials production capacity to the construction and exploitation of the phosphate mine project in Kaiyang, Guizhou, PRC and the Phase III Phosphorus-Based Integrated Industrial Project. The proposed changes are subject to approval by the Shareholders by way of an ordinary resolution at a general meeting. For details, please refer to the announcement of the Company dated August 24, 2026 in relation to the proposed changes in use of proceeds from the H Share Global Offering.

(2) Amendments to the Articles of Association

On August 24, 2026, the Board considered and approved the proposal regarding the amendments to the Articles of Association to reflect the changes in the registered capital and share capital structure of the Company following the vesting and listing for trading on July 6, 2026 of 2,212,354 new A Shares under the 2023 Restricted Share Incentive Scheme. For details, please refer to the announcement of the Company dated August 24, 2026 in relation to the amendments to the Articles of Association.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.cngrgf.com.cn), and the 2026 interim report of the Company containing all the information required by the Hong Kong Listing Rules will be published on the above websites in due course.

DEFINITIONS

In this results announcement, unless otherwise indicated in the context, the following expressions have the meanings set out below:

“A Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are listed on the Shenzhen Stock Exchange and domestic share(s) traded in RMB
“A Shareholder(s)”	holder(s) of the A Share(s)
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“CAM”	active materials used in the cathode of new energy batteries, responsible for storing and releasing electrical energy during charge and discharge cycles
“cathode materials”	one of the main components of a lithium-ion battery, the performance of the cathode material directly affects various performance indicators of the battery. Specifically, these include ternary cathode materials, lithium cobalt oxide cathode materials, lithium iron phosphate cathode materials, and lithium manganese oxide cathode materials
“CATL”	Contemporary Amperex Technology Co., Limited
“CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Chinese Mainland”, “PRC” or “China”	the People’s Republic of China
“cobalt-based materials”	cobalt-based new energy materials, mainly include LCO pCAM
“Cobalt tetroxide”	Cobalt tetroxide (Co_3O_4) is a precursor that can react with lithium salts to further produce lithium cobalt oxide cathode materials

“Company”, “our Company” or “the Company”	CNGR Advanced Material Co., Ltd., a joint stock company with limited liability established in the PRC on September 15, 2014, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300919) and the H Shares of which are listed on the HKEX (stock code: 2579)
“Director(s)”	director(s) of the Company
“Easpring Technology”	Beijing Easpring Material Technology Co., Ltd.
“EIT”	enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law
“ESG”	environmental, social and governance
“eVTOL”	electric vertical take-off and landing aircraft, an aircraft that uses electric power to hover, take off, and land vertically
“Global Offering”	the global offering of 104,225,400 H Shares as described in the Prospectus
“Group”, “our Group”, “we”, “our”, “us” or “CNGR”	our Company and its subsidiaries from time to time, or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time or the business operated by such subsidiaries or their predecessors (as the case may be)
“H Share(s)”	ordinary Share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are traded in HK dollars and are listed on the Stock Exchange
“HKD”, “HK\$” or “Hong Kong Dollars”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“high-grade nickel matte”	an intermediate smelting product with a nickel content typically exceeding 70%
“high-nickel precursor/product”	nickel-based pCAM with a nickel content of at least 80 mol%
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”, “HKEX” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

“IFRSs”	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by IASB and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Committee (IASC)
“LFP”	lithium iron phosphate (LiFePO_4), a chemical compound and a commonly used CAM in lithium-ion batteries
“LG Chem”	LG Chem, Ltd., under the LG Group
“LME”	the London Metal Exchange
“Listing”	the listing of the H Shares on the Main Board of the HKEX on November 17, 2025
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“low-grade nickel matte”	an intermediate smelting product with a nickel content typically ranging from 10% to 30%
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“MHP”	mixed hydroxide precipitate, a nickel intermediate product used in the production of nickel sulfate, nickel plate, and other nickel-cobalt materials
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“new energy battery materials”	materials used in the production of new energy batteries, including CAM and their corresponding pCAM, anode, electrolyte fluid and separators
“new energy materials”	materials that include (i) new energy battery materials; and (ii) new energy metals
“new energy metals”	metals including lithium, nickel, cobalt and copper and their intermediates, which are essential raw materials for producing new energy battery materials and other materials in the new energy industry

“NFPP”	sodium iron phosphate compound ($\text{Na}_4\text{Fe}_3(\text{PO}_4)_2\text{P}_2\text{O}_7$), a chemical compound and a polyanion type of sodium-ion cathode active material
“nickel-based materials”	nickel-based new energy materials, mainly include NCM/NCA pCAM
“pCAM”	cathode active material (CAM) precursors, the raw materials or precursor compounds used to produce CAM for batteries
“phosphorus-based materials”	phosphorus-based new energy materials, mainly include LFP/LFMP pCAM and LFP/LFMP CAM
“POSCO Future M”	POSCO Future M Co., Ltd.
“PRC Company Law”	Company Law of the People’s Republic of China, as amended, supplemented or otherwise modified from time to time
“Prospectus”	the prospectus of the Company dated November 7, 2025
“R&D”	research and development
“Reporting Period”	the six months ended June 30, 2026
“RMB”	the lawful currency of the PRC
“Shareholder(s)”	holder(s) of Share(s)
“Shenzhen Listing Rules”	Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, as amended or supplemented from time to time
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange
“SHFE”	the Shanghai Futures Exchange
“sodium-based materials”	sodium-based new energy materials, mainly include sodium-based pCAM and CAM
“State Council”	the State Council of the PRC
“Tengyuan Cobalt”	Ganzhou Tengyuan Cobalt New Material Co., Ltd. (贛州騰遠鈷業新材料股份有限公司)
“Tesla”	Tesla (Shanghai) Co., Ltd. (特斯拉(上海)有限公司) and Tesla, Inc.

“ultra-high nickel precursor/product”	nickel-based pCAM with a nickel content of at least 90 mol%
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“USD” or “US\$”	United States dollars, the lawful currency of the United States
“Xiamen Tungsten”	Xiamen Tungsten Co., Ltd. (廈門鎢業股份有限公司)
“2023 Restricted Share Incentive Scheme”	the 2023 restricted share incentive scheme adopted in June 2023
“%”	per cent

In this announcement, the terms “associate”, “close associate”, “connected person”, “connected transaction”, “continuing connected transaction”, “core connected person”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

By order of the Board
CNGR Advanced Material Co., Ltd.
Mr. Deng Weiming
Chairman, Executive Director and President

Tongren, Guizhou, August 24, 2026

As at the date of this announcement, Directors of the Company include: (i) Mr. Deng Weiming, Mr. Tao Wu, Mr. Liao Hengxing, Mr. Li Weihua, Mr. Liu Xingguo and Mr. Deng Jing as executive Directors; and (ii) Mr. Cao Feng, Mr. Hong Yuan, Mr. Jiang Liangxing and Ms. Wong Sze Wing as independent non-executive Directors.