Tianqi Lithium Corporation

天齊鋰業股份有限公司

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

(Stock Code: 9696)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The Board of Directors of Tianqi Lithium Corporation is pleased to announce the audited annual financial results of the Company and its subsidiaries for the year ended 31 December 2022.

In the event of any discrepancies in interpretations between the Chinese version and English version, the Chinese version shall prevail, excluding the financial report, of which the English version shall prevail.

Consolidated statement of profit or loss
for the year ended 31 December 2022

	Note	**2022** *RMB'000*	2021 *RMB'000*
Revenue	*3(a)*	**40,168,923**	7,597,863
Cost of sales		**(6,014,628)**	(2,909,979)
Gross profit		**34,154,295**	4,687,884
Other net income	*4*	**1,286,972**	478,593
Selling and distribution expenses		**(29,034)**	(20,488)
Administrative expenses		**(409,372)**	(478,060)
Research and development costs		**(26,703)**	(18,826)
(Provision for)/reversal of impairment losses		**(61,895)**	1,652,402
Profit from operations		**34,914,263**	6,301,505
Finance costs	*5(a)*	**(1,082,721)**	(1,474,799)
Share of profits less losses of associates		**5,895,071**	752,770
Profit before taxation	*5*	**39,726,613**	5,579,476
Income tax	*6(a)*	**(8,813,674)**	(1,373,635)
Profit for the year		**30,912,939**	4,205,841
Attributable to:			
Equity shareholders of the Company		**23,944,590**	3,649,185
Non-controlling interests		**6,968,349**	556,656
Profit for the year		**30,912,939**	4,205,841
Earnings per share	*7*		
Basic *(RMB)*		**15.41**	2.47
Diluted *(RMB)*		**15.41**	2.47

Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2022

	Note	**2022**	2021
		RMB'000	*RMB'000*
Profit for the year		**30,912,939**	4,205,841
Other comprehensive income for the year (after tax and reclassification adjustments)			
Items that will not be reclassified to profit or loss:			
Equity investments at FVOCI – net movement in fair value reserves (non-recycling)		**(880,657)**	400,928
Share of other comprehensive income of associates		**(7,244)**	–
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of subsidiaries outside of the mainland China		**1,747,089**	(773,847)
Share of other comprehensive income of associates		**29,948**	(58,296)
Other comprehensive income for the year		**889,136**	(431,215)
Total comprehensive income for the year		**31,802,075**	3,774,626
Attributable to:			
Equity shareholders of the Company		**24,726,926**	3,624,269
Non-controlling interests		**7,075,149**	150,357
Total comprehensive income for the year		**31,802,075**	3,774,626

Consolidated statement of financial position
as at 31 December 2022

	Note	**2022**	2021
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**15,619,771**	13,734,405
Intangible assets		**116,295**	118,811
Goodwill		**416,101**	416,101
Interests in associates		**27,170,214**	24,120,755
Interests in a joint venture		**123,435**	112,810
Financial assets measured at fair value		**1,953,152**	695,617
Deferred tax assets		**1,162,423**	115,568
Restricted deposits		**29,522**	11,157
Other non-current assets		**6,846**	22,572
		46,597,759	39,347,796
Current assets			
Inventories		**2,143,943**	871,756
Trade and other receivables	*9*	**10,914,838**	3,369,533
Prepaid tax		**469,991**	235,299
Restricted deposits	*10*	**141,538**	209,828
Cash and cash equivalents	*10*	**12,289,948**	1,766,096
		25,960,258	6,452,512
Current liabilities			
Trade and other payables	*11*	**3,558,019**	1,536,113
Derivative financial instruments		**–**	388,401
Contract liabilities	*8*	**351,227**	164,475
Bank loans and other borrowings	*12*	**127,335**	9,762,521
Lease liabilities		**46,041**	48,940
Deferred income		**–**	6,093
Current taxation		**3,472,485**	686,872
		7,555,107	12,593,415
Net current assets/(liabilities)		**18,405,151**	(6,140,903)
Total assets less current liabilities		**65,002,910**	33,206,893

Consolidated statement of financial position (continued)
as at 31 December 2022

	Note	**2022** **RMB'000**	2021 *RMB'000*
Non-current liabilities			
Bank loans and other borrowings	*12*	**8,263,408**	11,800,154
Deferred income		**59,447**	66,477
Deferred tax liabilities		**1,350,557**	978,520
Lease liabilities		**268,243**	200,442
Provision		**259,912**	335,270
Other non-current liabilities		**43,101**	33,078
		10,244,668	13,413,941
NET ASSETS		**54,758,242**	19,792,952
CAPITAL AND RESERVES			
Share capital		**1,641,221**	1,477,099
Reserves		**48,514,552**	12,879,967
Total equity attributable to equity shareholders of the Company		**50,155,773**	14,357,066
Non-controlling interests		**4,602,469**	5,435,886
TOTAL EQUITY		**54,758,242**	19,792,952

NOTES:

1 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2022 comprise the Group and the Group's interest in associates and a joint venture. The consolidated financial statements are presented in Renminbi ("RMB"), rounded to the nearest thousand, unless otherwise indicated.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– investments in debt and equity securities; and

– derivative financial instruments.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The Group has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

- Amendments to IAS 16, *Property, plant and equipment: Proceeds before intended use*

- Amendments to IAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

None of these amendments had a material effect on how the Group's consolidated results and financial position for the current or prior year have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2022

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, and a new standards and interpretations which are effective for the accounting year beginning from 1 January 2023 and which have not been adopted in the consolidated financial statements as follows:

	Effective for accounting periods beginning on or after
IFRS 17, *Insurance contracts and related amendments*	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2, *Disclosure of accounting policies*	1 January 2023
Amendments to IFRS 4, *Extension of the temporary exemption from applying IFRS 9*	1 January 2023
Amendments to IAS 8, *Definition of accounting estimates*	1 January 2023
Amendments to IAS 12, *Deferred tax related to assets and liabilities arising from a single transaction*	1 January 2023
Amendments to IAS 1, *Classification of liabilities as current or non-current*	1 January 2024
Amendments to IAS 1, *Non-current Liabilities with Covenants*	1 January 2024
Amendments to IFRS 16, *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far, the Group has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

3 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are lithium resource development and exploitation, downstream production and sale of a diverse range of lithium products, including mineral concentrates, lithium compounds and derivatives. Further details regarding the Group's principal activities are disclosed in note 3(b).

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products is as follows:

	2022	2021
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
– Sales of lithium compounds and derivatives	**24,754,462**	4,960,184
– Sales of lithium concentrate	**15,414,461**	2,637,679
	40,168,923	7,597,863

All of the Group's revenue are recognised at a point in time. Disaggregation of revenue from contracts with customers by major products and by geographic markets is disclosed in notes 3(b)(i) and 3(b)(iii) respectively.

The Group's customer base is diversified and transactions with one (2021: two) of its customers has exceeded 10% of the Group's revenues. Revenues from sales to these customers amounted to approximately RMB12,959,079,000 (2021: RMB2,574,811,000).

The Group applies the practical expedient in paragraph 121 of IFRS 15 of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of substantially all the contracts of the Group are within one year or less.

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Lithium compounds and derivatives segment: this segment primarily derive its revenue from the manufacturing and sale of lithium compounds and derivatives, which mainly includes metal and compounds. These compounds and derivatives are mainly manufactured in the manufacturing plants of the Group located in mainland China.

- Lithium concentrate segment: this segment primarily undertakes mining, production and sales of lithium concentrate. Currently the Group's exploration activities are carried out in Australia and the sales activities are mainly carried out both in Australia and the PRC.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of interests in subsidiaries, associates and joint ventures and deferred tax assets. Segment liabilities include trade and other payables attributable to the exploration, manufacturing and sales activities of the individual segments with the exception of deferred tax liabilities, bank loans and other borrowings managed directly by the Group's most senior executive management.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, other than reporting inter-segment sales of lithium concentrate, assistance provided by one segment to another, including sharing of assets, is not measured.

The measure used for reporting segment profit is adjusted profit before taxation. To arrive at adjusted profit before taxation, the Group's profit before taxation are further adjusted for items not specifically attributed to individual segments, such as share of profits less losses of associates, directors' and auditors' remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted profit before taxation, management is provided with segment information concerning revenue (including inter segment sales), interest income from cash balances and finance costs from bank loans and other borrowings, depreciation, amortisation and (reversal of) impairment losses and additions to non-current segment assets used by the segments in their operations.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance is set out below.

	2022		
	Lithium compounds and derivatives *RMB'000*	**Lithium concentrate** *RMB'000*	**Total** *RMB'000*
Revenue from external customers	**24,754,462**	**15,414,461**	**40,168,923**
Inter-segment revenue	**99,534**	**12,029,338**	**12,128,872**
Reportable segment revenue	**24,853,996**	**27,443,799**	**52,297,795**
Reportable segment profit (adjusted profit before taxation)	**18,449,097**	**22,845,595**	**41,294,692**
Interest income from bank deposits	**33,317**	**11,327**	**44,644**
Finance costs	**(170,645)**	**(191,258)**	**(361,903)**
Depreciation and amortisation for the year	**(202,767)**	**(451,601)**	**(654,368)**
Reversal of impairment losses on non-current assets	**37,795**	**–**	**37,795**
Reportable segment assets	**36,785,171**	**26,861,624**	**63,646,795**
Capital expenditure*	**637,944**	**1,579,625**	**2,217,569**
Reportable segment liabilities	**12,210,001**	**17,583,569**	**29,793,570**

	2021		
	Lithium compounds and derivatives *RMB'000*	Lithium concentrate *RMB'000*	Total *RMB'000*
Revenue from external customers	4,960,184	2,637,679	7,597,863
Inter-segment revenue	–	1,608,613	1,608,613
Reportable segment revenue	4,960,184	4,246,292	9,206,476
Reportable segment profit (adjusted profit before taxation)	2,430,894	2,011,462	4,442,356
Interest income from bank deposits	1,339	1,952	3,291
Finance cost	(152,255)	(128,150)	(280,405)
Depreciation and amortisation for the year	(187,715)	(261,428)	(449,143)
Reportable segment assets	10,152,949	9,483,198	19,636,147
Capital expenditure*	91,563	708,699	800,262
Reportable segment liabilities	1,022,313	2,975,656	3,997,969

* Capital expenditure consists of purchase of property, plant and equipment (including right-of-use assets) and intangible assets.

(ii) Reconciliations of reportable segment revenues, segment profit, segment assets and liabilities for the years ended 31 December 2022 and 2021 are set out below:

	Reportable segment amount		Unallocated head office and corporate items		Elimination of inter-segment amounts		Consolidated	
	2022 **RMB'000**	2021 *RMB'000*	**2022** **RMB'000**	2021 *RMB'000*	**2022** **RMB'000**	2021 *RMB'000*	**2022** **RMB'000**	2021 *RMB'000*
Reportable segment revenue	**52,297,795**	9,206,476	**-**	1,232,364	**(12,128,872)**	(2,840,977)	**40,168,923**	7,597,863
Reportable segment profit (adjusted profit before taxation)	**41,294,692**	4,442,356	**5,880,120**	1,480,039	**(7,448,199)**	(342,919)	**39,726,613**	5,579,476
Share of profits less losses of associates	**254,184**	(2,168)	**5,640,887**	754,938	**-**	–	**5,895,071**	752,770
Interest income	**44,644**	3,291	**6,468**	95	**-**	–	**51,112**	3,386
Finance cost	**(361,903)**	(280,405)	**(793,918)**	(1,248,466)	**73,100**	54,072	**(1,082,721)**	(1,474,799)
Depreciation and amortisation for the year	**(654,368)**	(449,143)	**(721)**	(9,087)	**-**	–	**(655,089)**	(458,230)
Reversal of impairment losses on non-current assets	**37,795**	1,662,784	**-**	–	**-**	–	**37,795**	1,662,784
Reportable segment assets	**63,646,795**	19,636,147	**29,657,574**	26,591,520	**(20,746,352)**	(427,359)	**72,558,017**	45,800,308
Capital expenditure	**2,217,569**	800,262	**5,100**	43,813	**-**	–	**2,222,669**	844,075
Reportable segment liabilities	**29,793,570**	3,997,969	**3,822,118**	22,436,746	**(15,815,913)**	(427,359)	**17,799,775**	26,007,356

(iii) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of external customers is based on the location at which the goods delivered.

	2022 *RMB'000*	2021 *RMB'000*
Mainland China	**33,612,173**	6,578,886
Overseas	**6,556,750**	1,018,977
	40,168,923	7,597,863

The following table sets out information about the geographical location of the Group's property, plant and equipment, intangible assets, goodwill and interests in associates and a joint venture ("specified non-current assets"). The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, and the location of the operation to which they are allocated, in the case of intangible assets, goodwill, interests in associates and interests in a joint venture.

	2022 *RMB'000*	2021 *RMB'000*
Mainland China	**2,883,474**	2,190,137
Overseas		
– Australia	**13,874,747**	12,392,949
– Chile	**26,687,595**	23,765,173
– Other countries and jurisdictions	**–**	154,623
	43,445,816	38,502,882

4 Other net income

	2022 *RMB'000*	2021 *RMB'000*
Net realised and unrealised (losses)/gains on derivative financial instruments	**(890,422)**	50,977
Net losses on disposal of property, plant and equipment	**(1,221)**	(19,901)
Net gains from modification of syndicated bank loans	**–**	671,207
Gains on deemed disposal of an associate	**1,097,383**	64,741
Gains/(losses) on partial disposal of an associate	**625,577**	(3,053)
Net losses on dilution of interest in associates	**–**	(51,302)
Net foreign exchange gains/(losses)	**377,336**	(242,357)
Interest income from bank deposits	**51,112**	3,386
Government grants	**34,428**	21,553
Dividend income from equity investments at FVOCI (non-recycling)	**2,830**	–
Others	**(10,051)**	(16,658)
	1,286,972	478,593

5 Profit before taxation

Profit before taxation is arrived at after charging:

	2022	2021
	RMB'000	*RMB'000*
(a) Finance costs		
Interest on bank loans and other borrowings	**1,076,175**	1,495,375
Interest on lease liabilities	**10,594**	9,786
Interest on discounted bills receivable	**75,921**	17,210
Unwind of discount on rehabilitation and closure provision	**7,671**	5,637
Less: interest expense capitalised into construction in progress	**(87,640)**	(53,209)
	1,082,721	1,474,799

The borrowing costs have been capitalised at a rate of 2.0% per annum (2021: 2.4% per annum).

	2022	2021
	RMB'000	*RMB'000*
(b) Staff costs		
Salaries, wages, bonuses and other benefits	**710,679**	544,952
Equity-settled share-based payment expenses	**800**	–
Contributions to defined contribution retirement plans	**39,044**	35,196
	750,523	580,148

Staff costs includes remuneration of directors, supervisors and senior management.

Pursuant to the relevant labor rules and regulations in mainland China, the Company and its subsidiaries in mainland China participate in defined contribution retirement benefit schemes (the "Schemes") organised by the local government authorities whereby the Company and its subsidiaries in mainland China are required to make contributions to the Schemes based on certain percentages of the eligible employee's salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees.

Pursuant to the relevant labor rules and regulations in Australia, the Company's subsidiaries in Australia participate in retirement benefit plans whereby the Company's subsidiaries in Australia are required to make contributions to the retirement benefit based on certain percentages of the eligible employee's salaries.

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") pursuant to the MPF Schemes Ordinance for its employees in Hong Kong. All the employees of the Group in Hong Kong are required to join the MPF Scheme. Contributions are made based on a percentage of its employees' basic salaries and are charged to consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. No forfeited contribution is available to reduce the contribution payable in the future years as at 31 December 2022.

	2022	2021
	RMB'000	*RMB'000*
(c) Other items		
Amortisation cost of intangible assets#	**13,233**	13,106
Depreciation charge		
– owned property, plant and equipment	**572,821**	389,822
– right-of-use assets	**69,035**	55,302
Auditors' remuneration		
– audit services	**4,000**	4,668
Research and development expenses*	**26,703**	18,826
Cost of inventories#	**6,014,628**	2,909,979

* Research and development expenses include RMB18,878,000 (2021: RMB14,442,000) relating to staff costs and depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above or in the note 5(b) for each of these types of expenses.

\# Cost of inventories includes RMB1,044,401,000 (2021: RMB671,612,000) relating to staff costs and depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

6 Income tax in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

	2022	2021
	RMB'000	*RMB'000*
Current tax – Mainland China Corporate Income Tax		
Provision for the year	**3,427,206**	590,388
Current tax – Hong Kong and overseas		
Provision for the year	**6,040,992**	193,503
Deferred tax		
Origination and reversal of temporary differences	**(654,524)**	589,744
	8,813,674	1,373,635

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2022	2021
	RMB'000	*RMB'000*
Profit before taxation	**39,726,613**	5,579,476
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned (i)	**11,128,919**	1,471,757
Effect of preferential tax rate (ii)	**(486,277)**	(69,758)
Tax effect of utilisation of tax losses not recognised in prior years	**(53,565)**	(1,585)
Tax effect of unused tax losses not recognised	**222,777**	444,408
Tax effect of non-deductible expenses	**345,364**	15,410
Tax effect of non-taxable income	**(2,407,604)**	(716,414)
(Over)/under provision in prior periods	**(11,665)**	13,029
Withholding tax on the profits of the Group's overseas subsidiaries and investments	**77,424**	218,509
Others	**(1,699)**	(1,721)
Actual tax expense	**8,813,674**	1,373,635

(i) Under the PRC Corporate Income Tax Law, the PRC's statutory income tax rate is 25%. The Group's subsidiaries in the PRC are subject to PRC income tax at 25% unless otherwise specified.

Income tax rate applicable to group entities incorporated in Hong Kong for the income subject to Hong Kong Profits Tax during the Relevant Periods is 16.5%.

Pursuant to the rules and regulations of the British Virgin Islands, the Group's subsidiary in British Virgin Islands is not subject to any assessable income tax in the British Virgin Islands.

Taxation for other overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries and the applicable statutory income tax rates were listed in table below:

	2022	2021
The United Kingdom#	**19%**	19%
Australia*	**30%**	30%
Canada#	**15%**	15%
Chile#	**27%**	27%

* Windfield and its wholly-owned Australian resident entities are taxed as a tax-consolidated group. TLH, TLAI2 and their wholly-owned Australian resident entities are taxed as a multiple entry tax-consolidated group. TLEA, TLA and their wholly-owned Australian resident entities are taxed as a multiple entry tax-consolidated group. The head entities within the tax-consolidated groups are Windfield, TLH and TLEA respectively.

No provision was made for the United Kingdom, Canada and Chile Profits Tax as the Group's overseas subsidiaries in the United Kingdom, Canada and Chile did not earn any assessable income subject to local tax law during the year.

(ii) Pursuant to "Announcement of the State Administration of Taxation on Issues Relating to Enterprise Income Tax Pertaining to Implementation of the Catalog of Encouraged Industries in Western Region" issued by relevant tax authorities in PRC, companies in the western region that engage in the industries encouraged by the state can enjoy the preferential corporate income tax rate of 15% from 1 January 2011 to 31 December 2030. The Company and certain subsidiaries of the Group in mainland China fall within the eligible industry category and are entitled to enjoy the preferential income tax rate.

7 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB23,944,590,000 (2021: RMB3,649,185,000) and the weighted average number of 1,553,951,388 ordinary shares (2021: 1,477,099,383 ordinary shares) in issue during the year, calculated as follows:

	Year ended 31 December	
	2022	2021
	’000	’000
Issued ordinary shares at 1 January	**1,477,099**	1,477,099
Effect of issuance of ordinary H shares	**77,340**	–
Effect of repurchase of shares	**(488)**	–
Weighted average number of ordinary shares at 31 December	**1,553,951**	1,477,099

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB23,944,590,000 (2021: RMB3,649,185,000) and the weighted average number of 1,553,983,405 ordinary shares (2021: 1,477,099,383 ordinary shares) in issue during the year, calculated as follows:

	Year ended 31 December	
	2022	2021
	’000	’000
Weighted average number of ordinary shares at 31 December	**1,553,951**	1,477,099
Effect of Employee Stock Ownership Plan	**32**	–
Weighted average number of ordinary shares at 31 December	**1,553,983**	1,477,099

8 Contract liabilities

	2022	2021
	RMB’000	*RMB’000*
Contract liabilities		
– Receipts in advance from sales of lithium products	**351,227**	164,475

Movements in contract liabilities

	2022	2021
	RMB’000	*RMB’000*
Balance at 1 January	**164,475**	158,067
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(164,363)**	(158,058)
Increase in contract liabilities as a result of receipts in advance	**351,115**	164,466
Balance at 31 December	**351,227**	164,475

The Group requires certain customers to pay in advance of delivery. The receipts in advance are recognised as a contract liability until the products are delivered to the customer.

All of the contract liabilities are expected to be recognised as revenue within one year.

9 Trade and other receivables

	2022	2021
	RMB'000	*RMB'000*
Trade receivables	**7,487,291**	657,468
Less: allowance for doubtful debts	**(110,017)**	(14,525)
	7,377,274	642,943
Bills receivable	**515,944**	448,224
Other receivables	**101,827**	193,189
Less: allowance for doubtful debts	**(12,490)**	(10,141)
	89,337	183,048
Deposits and prepayments	**77,588**	19,877
Value added tax recoverable	**213,376**	45,059
Goods and services tax recoverable	**46,031**	15,979
Bank acceptance notes, carried at FVOCI	**2,595,288**	2,014,403
	2,932,283	2,095,318
	10,914,838	3,369,533

All of the trade receivables, bills receivable and other receivables are expected to be recovered or recognised as expense within one year.

Ageing analysis

As of the end of the Reporting Period, the ageing analysis of trade receivables and bills receivable (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	2022	2021
	RMB'000	*RMB'000*
Within 1 year	**7,893,218**	1,091,167

Trade receivables and bills receivable are due within 15 to 90 days from the date of billing. No interests are charged on the trade receivables and bills receivable.

10 Cash and cash equivalents

	2022 *RMB'000*	2021 *RMB'000*
Cash and bank balance	**12,461,008**	1,987,081
Less:		
Non-current restricted deposits	**(29,522)**	(11,157)
Current restricted deposits	**(141,538)**	(209,828)
	12,289,948	1,766,096

11 Trade and other payables

	2022 *RMB'000*	2021 *RMB'000*
Bills payable	**185,881**	123,530
Trade creditors	**2,154,852**	765,116
Accrued payroll and benefits	**147,578**	91,929
Other taxes payable	**540,540**	204,647
Interest payable	**–**	1,535
Other payables	**529,168**	349,356
	3,558,019	1,536,113

As at the end of the Reporting Period, the ageing analysis of trade creditors and bills payable (which are included in trade and other payables) of the Group, based on the invoice date, is as follows:

	2022 *RMB'000*	2021 *RMB'000*
Within 1 year	**2,339,523**	885,899
1 to 2 years	**386**	1,609
2 to 3 years	**69**	421
More than 3 years	**755**	717
	2,340,733	888,646

12 Bank loans and other borrowings

The analysis of the carrying amounts of bank loans and other borrowings is as follows:

	2022	2021
	RMB'000	*RMB'000*
Current		
Secured bank loans	**58,923**	236,177
Unsecured bank loans	**40,000**	1,938,574
Corporate bonds	**–**	1,911,679
Current portion of non-current		
Secured bank loans (i)	**27,037**	4,469,151
Unsecured bank loans (i)	**–**	208,587
Secured other borrowings from third-parties (ii)	**1,375**	998,353
	127,335	9,762,521
Non-current		
Secured bank loans (i)	**7,690,445**	15,097,503
Unsecured bank loans(i)	**–**	208,587
Other borrowings from a related party	**–**	1,171,802
Secured other borrowings from third-parties (ii)	**601,375**	998,353
	8,291,820	17,476,245
Less:		
– Current portion of non-current secured bank loans (i)	**(27,037)**	(4,469,151)
– Current portion of non-current unsecured bank loans (i)	**–**	(208,587)
– Current portion of secured other borrowings from third-parties (ii)	**(1,375)**	(998,353)
	(28,412)	(5,676,091)
	8,263,408	11,800,154

(i) Bank loans

The effective interest rates of the Group's bank loans ranged from 0.8% to 7.8% per annum for the year ended 31 December 2022 (2021: 2.1% to 9.3% per annum).

The secured bank loans are secured by certain equity interest in subsidiaries of the Group and other assets of the Group as follows:

	2022	2021
	RMB'000	*RMB'000*
Mainland China subsidiaries		
Property, plant and equipment	**–**	253,666
Restricted bank deposits	**–**	175,728
Investments in Shigatse Zabuye	**–**	285,494
Bills receivables	**58,923**	–
Overseas subsidiaries		
All assets of Windfield	**20,517,736**	9,160,084
All assets of TLAI2 and TLAI1	**–**	21,034,783
All assets of TLEA	**–**	7,918,329
All assets of TLK	**–**	5,048,765
Restricted bank deposits	**18,156**	–
100% equity interests of TLAI1	**23,412,747**	–
Investments in SQM	**3,776,593**	23,652,363
	47,784,155	67,529,212

(ii) Secured other borrowings from third parties

The effective interest rate of the remaining secured other borrowings from third parties was 7.5% per annum for the year ended 31 December 2022 (2021: 5% to 6.5% per annum). The borrowings from third parties were secured by the 100% equity interests of Shenghe Lithium with carry amount of RMB261,580,000 and Shenghe Lithium's mining right of the Cuola mine in Yajiang County with carry amount of RMB88,045,000.

(iii) Bank facilities

At 31 December 2022, the unused banking facilities of the Group were RMB4,952,513,000 (2021: RMB914,901,000).

At 31 December 2022, the bank loans and other borrowings were repayable as follows:

	2022	2021
	RMB'000	*RMB'000*
Bank loans		
Within 1 year	**125,960**	6,852,489
After 1 year but within 2 years	**145,768**	10,555,545
After 2 years but within 5 years	**7,517,640**	72,807
	7,789,368	17,480,841
Corporate bonds		
Within 1 year	**–**	1,911,679
After 1 year but within 2 years	**–**	–
After 2 years but within 5 years	**–**	–
	–	1,911,679
Other borrowings from a related party		
Within 1 year or on demand	**–**	–
After 1 year but within 2 years	**–**	702,208
After 2 years but within 5 years	**–**	469,594
	–	1,171,802
Other borrowings from a third-party		
Within 1 year or on demand	**1,375**	998,353
After 1 year but within 2 years	**–**	–
After 2 years but within 5 years	**600,000**	–
	601,375	998,353
	8,390,743	21,562,675

13 Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year:

	2022	2021
	RMB'000	*RMB'000*
Final dividend proposed after the end of the Reporting Period of RMB3.00 per ordinary share (2021: nil)	**4,922,261**	–

The final dividend proposed after the end of the Reporting Period has not been recognised as a liability at the end of the Reporting Period.

(ii) No dividend was approved or paid to equity shareholders of the Company attributable to the previous financial year for the year ended 31 December 2022 (2021: nil).

14 Commitments

Capital commitments outstanding at 31 December 2022 not provided for in the financial statements were as follows:

	2022	2021
	RMB'000	*RMB'000*
Contracted for	**1,477,053**	659,332

15 Contingent liabilities

On 8 December 2020, the Company and TLEA entered into an investment agreement with IGO, pursuant to which TLEA agreed to issue and IGO agreed to subscribe for 177,864,310 new shares, representing 49% equity interest in TLEA after the share subscription (the "**IGO Transaction**") which did not crystalise an Australian taxation liability. The Australian Taxation Office (the "**ATO**") is currently focused on arrangements whereby a multiple entry consolidated group enables a tax-free exit from certain Australian investments. The Group is currently engaged with the ATO in respect of the IGO Transaction to obtain certainty of the tax outcomes, although this engagement process is in its early stages so the outcome and timing is uncertain at this stage.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY AND MARKET ANALYSIS

(I) Policy Environment

Global energy shortage and environmental pollution are increasingly prominent. With the gradually enhanced awareness on environmental protection and requirement for higher level of environment, society and governance (ESG) practice by both China and world, energy transformation has gradually become a global consensus of major countries or regional governments and new energy vehicles (NEVs) have become the orientation for the development of the global automobile industry. Combining the general background of "carbon peaking and carbon neutrality", major countries or regions in the world continuously promoting the development of new energy industries. New energy automobile and relevant industries have embraced high-speed development.

At the 75th Session of the United Nations General Assembly in September 2020, China clearly stated that it will scale up its Intended Nationally Determined Contributions by adopting more vigorous policies and measures and aims to have carbon dioxide emissions peak before 2030 and achieve carbon neutrality before 2060. To achieve the "carbon peaking and carbon neutrality" targets, China has introduced various policies to vigorously support the development of new energy industries since 2020. Among them, the New Energy Automobile Industry Development Plan (2021-2035) (《新能源汽車產業發展規劃(2021 – 2035 年)》) specified that the NEV sales volume will reach above 20% of total vehicle sales volume by 2025 and the core technology of NEVs in China will reach internationally advanced level by 2035. The growth in the NEV market is expected to boost the continuous growth in demand for lithium batteries and further promote the expansion of the lithium battery cathode materials market.

It can be seen that NEV development has become an important pillar and direction for China's economic development. The Central Economic Work Conference held in December 2022 proposed to support NEV consumption for the first time. Despite the full withdrawal of subsidies on NEVs in 2023, the development expectations and targets on NEVs were not lowered across China and other relevant supporting policies were successively introduced by central and local governments.

To achieve the target of carbon neutrality, the United States and Europe also adopted various policies and measures to control carbon emissions.

On 16 August 2022, the US President officially signed the "Inflation Reduction Act of 2022". The act proposes to raise approximately US$737 billion over the following 10 years by increasing taxations on large corporations and wealthy people and lowering the cost of medical insurance and prescription drugs to promote the economic development within the United States and reduce the deficit and inflation. For such funds, the US government proposes to allocate approximately US$369 billion as the budget for dealing with climate change with an aim to reduce carbon emissions by 40% by 2030. As one of the measures to reduce carbon emissions, the act provides that for NEVs assembled in the United States or countries having signed free trade agreements with the United States with over 40% of NEV battery materials sourcing from North America, the US government grants a tax credit of up to US$7,500 and US$4,000 for new and used electric vehicles, respectively, and cancelled the upper subsidy limit of 200,000 units for each automobile manufacturer. According to the research report released by Bloomberg Finance, the NEV sales volume in the United States reached 979,500 units in 2022, close to the 1 million units milestone and representing a year-on-year increase of nearly 51%. It is expected that the US will maintain high growth in 2023 and the NEV sales volume will reach approximately 1.6 million units in the whole year, representing a year-on-year increase of approximately 64%.

On 10 February 2022, the Committee on Environment, Public Health and Food Safety of the European Parliament voted to pass the EU Regulation on Batteries and Waste Batteries. According to the regulation, electric vehicle batteries launched in the EU market must have carbon footprint related declarations from 1 July 2024; must have grading labels based on carbon footprint from 1 January 2025; and must comply with maximum carbon footprint thresholds from 1 January 2027. Meanwhile, the EU also included the minimum recycling quota for batteries launched in the EU market into the clauses. From 1 January 2027, electric vehicle batteries must declare the content of recycled cobalt, lead, lithium and nickel within and achieve the minimum recycling quota from 1 January 2030.

On 8 June 2022, the European Parliament officially approved the legislative proposal of the European Commission. On 27 October 2022, the EU reached an agreement on the plan on "zero CO2 emissions for all passenger vehicles and light commercial vehicles under sale in the EU market in 2035". According to the agreement, by 2030, the carbon emissions of all new passenger vehicles and light commercial vehicles shall be reduced by 55% and 50% respectively from 2021 and to zero by 2035. The fuel vehicles mentioned in the proposal include all passenger vehicles and light commercial vehicles under 3.5 tons, which also cover hybrid models. It means that by 2035, the EU will only accept pure electric vehicles and hydrogen fuel cell vehicles in the range of passenger vehicles and light commercial vehicles. The carbon reduction efforts and policy anticipation of the EU provided long-term guarantees to the promotion of electric vehicles in Europe. According to the analysis of Guosen Securities Economic Research Institute, the penetration rate of electric vehicles in Europe is about 17% from January to October 2022. It is expected that the sales volume of NEVs in Europe will reach approximately 2.45 million units in 2022, representing a year-on-year increase of 13.5%. Despite the potential impacts of subsidies withdrawal for NEVs in certain European countries in 2023, the withdrawal will be limited and the sales volume of NEVs in Europe is likely to maintain stable growth. The sales volume for year 2023 is expected to reach approximately 2.8 million units, representing a year-on-year increase of 14%.

(II) Supply of Lithium Resources and Lithium Products

With the vigorous development of lithium in power battery and energy storage battery sectors, the pace of exploration and development of lithium resources in various countries in the world has been accelerated in recent years. According to the latest data of the United States Geological Survey, the current global lithium resources reached 98 million tons of contained lithium, which is approximately 520 million tons LCE. The lithium reserves reached 26 million tons of contained lithium, which is approximately 140 million tons LCE. They are deposited in Bolivia, Argentina, Chile and other South American countries in the form of lithium salt lakes and in Australia, China, North American and African countries in the form of lithium mines, respectively. Currently, the Company controls the Greenbushes spodumene project, which is the word's largest ore reserves with highest grade and under production, through Windfield, a holding subsidiary. The ore reserves of the mine reached approximately 8.24 million tons LCE. The Companny also strategically deployed on the Atacama lithium salt lake project in Chile, which is the largest brine lithium deposit in the world, through holding equity interests. The lithium reserves of the lake reached approximately 45.51 million tons LCE.

1. Supply of lithium resources

According to the latest data issued by the United States Geological Survey in January 2023, the total supply of global lithium resources was 130,000 tons of contained lithium in 2022, which is approximately 690,000 tons LCE and represents an increase of 22% as compared with the figure for 2021. The supply of lithium resources from Australia, Chile and China accounted for 92% of the world total. As a country rich of lithium resources, Australia contributed nearly half of the global supply of lithium resources. The supply of lithium resources from China in 2022 was 19,000 tons of contain lithium, which is approximately 100,000 tons LCE and represents an increase of 36% as compared with the figure for 2021.

Currently, the global supply of lithium resources is mainly from the exploration and development of spodumene, salt lakes and lepidolite. Spodumene, quartz, feldspar and other gangue minerals generally form pegmatites spodumene mines with a grade of 1%-4%. After various processes such as crushing, screening, classification, separation, and flotation following the mining of ROM, spodumene are produced into lithium concentrates with a grade of 5.0%-6.0% for subsequent sales or processing of refined lithium compound. Lithium in salt lakes is generally in the form of lithium chloride or lithium carbonate. Based on different magnesium to lithium ratios, lithium brine concentrates are generated through evaporation and concentration, direct extraction or other extraction approaches, to further generate lithium products and derivatives. The lithium extraction technology of lepidolite mica generating lepidolite concentrates with a grade of 2.0%-3.5% are mainly through roasting.

Based on Wood Mackenzie's data in the 4th quarter of 2022, it is estimated that there are a total of 42 lithium projects under production globally in 2022. Spodumene, lithium brines and lepidolite contributed 48%, 41% and 11% of the total supply, respectively. As the largest lithium mine project under production and the largest lithium brines project in the world, Greenbushes and Atacama SQM salt lake contributed 21% and 18% of the total supply of global lithium resources, respectively.

The development process of lithium resources is relatively long and takes an average of 7-10 years from exploration, construction, commissioning to full production. Currently, most of global lithium projects to be developed are still under preliminary stage of exploration. According to the latest data from Wood Mackenzie, it is expected that over 70% of global increased lithium supply in the near future will come from Australia, Chile, China and other countries and the global supply of lithium resources in 2023 is expected to be 1.08 million tons LCE in total. In the medium term, with new lithium projects in South America, Africa, North America and China being put into production, the global supply of lithium resources is expected to reach 2.34 million tons LCE in 2032 and the number of lithium resources supply projects will increase to 87, which will lead to a more scattered and diversified pattern of global lithium supply.

2. Supply of lithium products

After preliminary extraction, lithium resources in lithium mines and brines can be processed into primary lithium chemical products, including industrial-grade lithium carbonate, industrial-grade lithium hydroxide and lithium chloride. After secondary processing, such products can be further generated into battery-grade lithium carbonate, battery-grade lithium hydroxide, lithium hexafluorophate, high purity lithium carbonate, lithium metal and other products, which are widely applied in various downstream sectors.

According to the latest data of Wood Mackenzie in the fourth quarter of 2022, the total output of global lithium chemical products was 762,000 tons LCE in 2022, representing an increase of 23% from 2021. Divided by product categories, the output of battery-grade and industrial-grade products accounted for 66% and 29% of total output, respectively. Divided by final products, the output of battery-grade lithium carbonate, battery-grade lithium hydroxide, industrial-grade lithium carbonate and industrial-grade lithium hydroxide accounted for 36%, 30%, 25% and 4% of total output, respectively. There are a total of 69 lithium chemical projects globally in 2022, involving 55 lithium suppliers, in which the top five suppliers accounted for 52% of global total output.

According to the latest data of Wood Mackenzie in the fourth quarter of 2022, China remains the major source of global lithium chemical products. Despite in 2022 domestic lithium chemical plants were affected by the limit and restrictions on electricity and production under hot weather as well as other factors, the total output of lithium compounds and derivatives still accounted for 66% of the world total. In addition, according to the data of the General Administration of Customs of China, China's total import of lithium carbonate was 143,000 tons in 2022, representing a year-on-year increase of 67%; while the total export of lithium hydroxide was 93,000 tons, representing a year-on-year increase of 25%.

According to the latest data of Wood Mackenzie, it is expected that the global supply of lithium chemical products will increase rapidly in the next 10 years. The global supply of lithium products is expected to reach 2.55 million tons LCE by 2032, representing a CAGR of 13% from 2022 to 2032. China will remain a major contributor of lithium compounds and derivatives. Moreover, as multiple enterprises establish lithium compound processing plants in Australia, Australia is likely to be another major manufacturer of lithium products in the world in the future.

(III) Market Demand

Under the wave of the global energy revolution, the Chinese market is transforming from "policy-driven " to "product-driven"; the European market is driven by "carbon emission + high subsidies + preferential taxations"; and the US market has introduced the largest investment plan on the climate and energy sectors in the history. The "green and low-carbon" development trend of the global market drove the rapid growth of lithium demands in new energy vehicles, energy storage, electric bicycles, electric instruments and other various applicable sectors. Guosen Securities Economic Research Institute estimated that the CAGR of global demand for lithium resources during the "14th Five-year Plan" period is likely to reach over 30% and the market scale is expected to rapidly expand from approximately 400,000 tons of LCE in 2020 to approximately 1.6 million tons LCE in 2025, representing a growth potential of 4 folds.

1. The penetration rate of global NEVs is likely to further improve

As an important part of the automobile industry, NEVs is a key orientation for the green transformation and upgrading of the global automobile industry. Thanks to the vigorous support of national governments to the new energy market, the sales volume of NEVs of major automobile manufacturers in the world hiked significantly in 2022. Among them, the sales volume of NEVs in China continued to top the world, accounting for over 60% of the global NEVs market.

According to the "Whitepaper on the Development of the New Energy Vehicle Industry in China (2023)" jointly released by EVTank, a research institute, China YiWei Institute of Economics and China Battery Industry Research Institute, the sales volume of global NEVs (including pure electric vehicles and plug-in hybrid electric vehicles) reached 10,824,000 units in 2022, representing a year-on-year increase of 61.6%. The global automobile sales volume was mainly contributed by China. In 2022, the sales volume of NEVs in China reached 6,884,000 units, accounting for 63.6% of the global sales. In 2022, the growth of sales volume in the European and US NEV market was lower than expected, representing a year-on-year increase of 16.0% and 52.1%, respectively, with certain gap when comparing with the estimates at the beginning of the year.

In 2023, with the implementation of the "Inflation Reduction Act of 2022" in the United States, it will promote the sales volume in the US NEV market in the demand end and affect the regional competition patterns on the whole global NEV industrial chains to a certain extent. EVTank estimated that the sales volume of global NEVs will reach 25,422,000 units and 52,120,000 units in 2025 and 2030, respectively; and the penetration rate of NEVs will continue to hike and surpass 50% in 2030.

In addition, according to the data of China Association of Automobile Manufacturers ("**CAAM**"), China witnessed high-speed development in recent two years. Driven by policies and the market, NEVs (including pure electric vehicles, plug-in hybrid electric vehicles and fuel cell vehicles) experienced an explosive growth in 2022. The market penetration rate reached 25.6%, 12.1 percentage points higher than that of 2021. Among them, the sales volume of pure electric vehicles was 5,365,000 units, representing a year-on-year increase of 81.6%. The sales volume of plug-in hybrid electric vehicles was 1,518,000 units, representing a year-on-year increase of 1.5 times; and the sales volume of fuel cell vehicles was 3,000 units, representing a year-on-year increase of 112.8%.

Despite the full withdrawal of NEVs subsidies in 2023, the growth expectations and targets of NEVs have not been reduced across China. Local governments have successively launched policies on promoting NEV consumption since January 2023, including encouraging the launching of NEV consumption subsidies, the distribution of consumption coupons, carrying out NEV promotion activities in rural areas and granting preferential treatment on traffic restrictions, license index, free parking in a limited time and other supporting policies. The CAAM estimated that the production and sales volume of NEVs in China is likely to achieve rapid growth in 2023 and the total sales volume is estimated to be 9 million units, representing a year-on-year increase of 35%.

On the other hand, as the core component of NEVs, power batteries, with lithium-ion battery as the mainstream, not only carry the basic function of energy storage for NEVs, but also are important units of conversion devices. Driven by the rapid expansion of demand for lithium-ion batteries, the consumption of lithium metal has grown sharply. According to relevant data from the Zheshang Securities Research Institute, the total consumption of lithium metal reached 93,000 tons of lithium metal in 2021, representing an increase of 296% from 23,500 tons in 2010. Among them, the proportion of lithium metal used in the battery sector has expanded from the original 23% to 74% in 2021, and the consumption amount has also increased from 5,405 tons in 2010 to 68,820 tons in 2021, representing an increase of 1,273%. Against the background of the vigorous development of the NEV industry, it is expected that the demand for lithium-ion batteries will also show a steady upward trend, thus forming a relatively solid support for the demand for upstream lithium compound products.

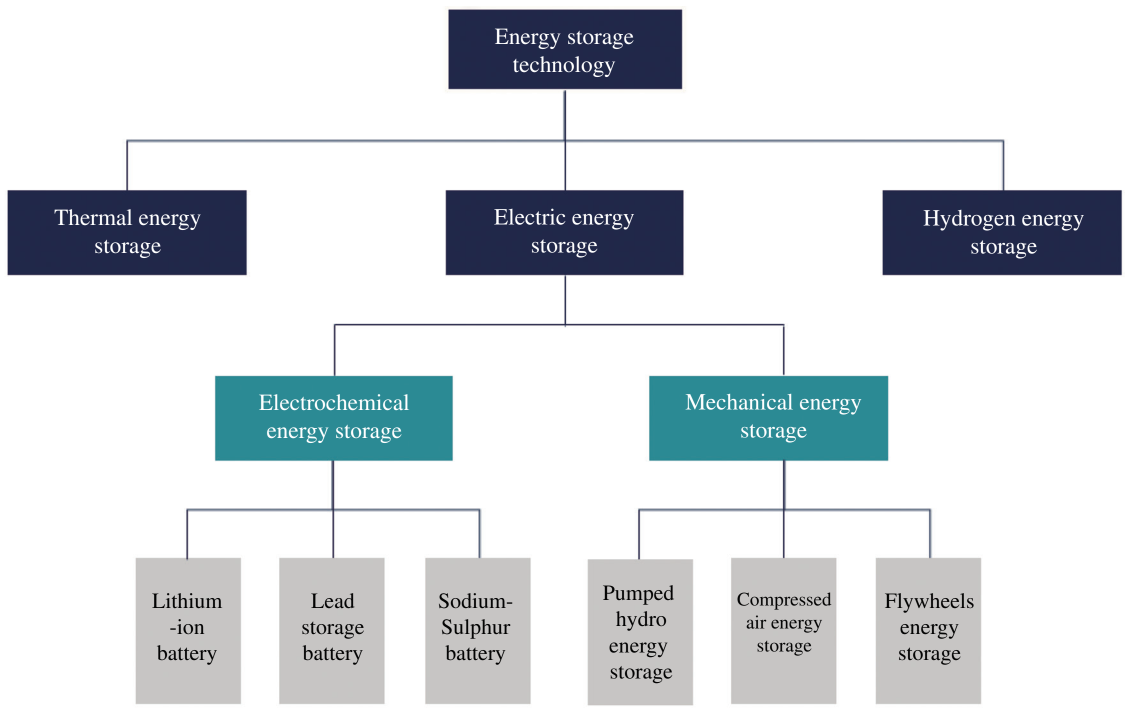
With the surging demand for lithium-ion batteries, power lithium-ion batteries in particular, the demand for lithium battery recycling increased rapidly in recent years. On 1 August 2022, the Ministry of Industry and Information Technology (MIIT), the National Development and Reform Commission and the Ministry of Ecology and Environment jointly released the "Implementation Plan for Carbon Peaking in the Industrial Sector". The plan proposes to strengthen the recycling of renewable resources. It implements the system of extended responsibility of producers with the focus on electrical, electronic, automobile and other products and promotes the construction of the recycling system of NEV power batteries. In response to the "Proposal on Actively Promoting the Recycling of Lithium Batteries of New Energy Vehicles" at the fifth meeting of the 13th Session of the CPPCC in November 2022, the MIIT indicated that with the rapid development of the NEV industry in China in recent years, the number of retired power batteries increased year by year. The recycling of power batteries is of great significance in improving the utilization efficiency of resources and safeguarding the sustainable and healthy development of the NEV industry.

Looking into 2023, in China, despite the impact of the withdrawal of subsidies for NEVs and considering the gradually weakened impacts of the pandemic, the frequent implementation of central and local measures on stimulating automobile consumption and the launching of new and popular models, the output and sales volume of NEVs in China is likely to maintain rapid growth and it is expected to achieve a year-on-year increase of 20%-30% according to the prediction made by Guosen Securities Economic Research Institute. In Europe, despite the possible impacts of the withdrawal of subsidies for NEVs in certain countries, the withdrawal will be limited and the sales volume of NEVs in Europe is likely to maintain stable growth. According to the prediction made by Guosen Securities Economic Research Institute, the sales volume for the whole year is expected to reach approximately 2.8 million units, representing a year-on-year increase of 14%. In the United States, the core subsidy policy on NEVs in the "Inflation Reduction Act of 2022" implemented from 2023 is to grant a tax credit of US$7,500 for new vehicles and cancel the upper subsidy limit of 200,000 units for each automobile manufacturer. It is expected to maintain high growth in 2023 and the NEV sales volume will reach approximately 1.8 million units in the whole year, representing a year-on-year increase of approximately 80%.

2. *Strong demand in the energy storage sector boosts the lithium demand*

With the booming trend of "carbon peaking and carbon neutrality" globally, the new energy industrial chains entered the overall explosive period. Due to the instability of renewable energy, the energy storage system becomes critical for solving the problem.

Energy storage is the process of the storage of energy through a medium or equipment and the releasing of it when needed. Based on different storage methods, the broad definition of energy storage includes electric energy storage, thermal energy storage and hydrogen energy storage. Currently, the most common energy storage method with the widest application is electric energy storage. Based on different storage principles, electric energy storage is further classified into electrochemical energy storage and mechanical energy storage.



New energy storage refers to new energy storage technologies except pumped hydro energy storage, including electrochemical energy storage, compressed air energy storage and flywheels energy storage. Featured flexible configuration and rapid response, new energy storage is more suitable for the consumption of new energy storage and is a key pillar to achieving carbon peaking and carbon neutrality targets.

On 23 July 2021, the NDRC and the National Energy Administration released the "Guiding Opinions on Accelerating the Development of New Energy Storage", proposing that the installed capacity in China will reach over 30 million kWh by 2025, new energy storage will transform from the initial stage of commercialization to large-scale development and will achieve fully market-oriented development by 2030. In 2022, various policies on new energy storage have been released. The "Notice on Further Promoting the Participation of New Energy Storage in the Electricity Market and Dispatching Application" clarified that the new energy storage can participate in the electricity market as an independent energy storage approach. The "Plan for Scientific and Technological Innovation in the Energy Sector during the 14th Five-year Plan Period" announced the roadmap on energy storage technologies. The "Implementation Plan for the Development of New Energy Storage during the 14th Five-year Plan Period" is the core guidance on promoting the large-scale, industrialized and market-oriented development of new energy storage.

In general, pumped hydro energy storage remains dominant role in various energy storage means, but new energy storage develops more rapidly with the growth rate much higher than pumped hydro energy storage. Among all new energy storage technologies, lithium-ion battery has the largest accumulated installed capacity and accounts for nearly 90% of the total. According to relevant data of the NEA, as at the end of 2022, among the installed capacity of new energy storage across China, lithium-ion battery energy storage accounted for 94.5% in the installed capacity of new energy storage across China. Based on the proportion of technologies in the new installed capacity in 2022, the lithium-ion battery energy storage technology accounted for 94.2%, maintaining the absolute dominant position.

According to the statistical and research data released by Gaogong Industry Research Institute (GGII), the shipment of energy storage lithium battery in China reached 130GWh in 2022, representing a year-on-year increase of 170%. Many energy storage projects conducted public bidding or put into operation in domestic and overseas markets in 2022 and application scenarios included energy storage power stations, frequency adjustment on wind farms, solar power generation and storage, the user side and communication base stations, attracting various battery enterprises and intensifying market competitions. GGII estimated that with the unleashing of demand in the global energy storage market in the following 2-3 years, the energy storage battery industry with lithium battery as the mainstream product will embrace explosive growth. With more new entrants, the market competition will be further intensified.

According to the data of Changjiang Securities Research Institute, the global installed energy storage capacity and the shipment in 2022 are expected to reach 45-50GWh and 90-100GWh, respectively, representing an increase of over 100%. The global installed energy storage capacity and the shipment in 2025 are expected to reach 300-400GWh and over 500GWh, respectively, representing a CAGR of 80%-100% from 2022 to 2025. The vigorous development of energy storage industry will drive the growth of lithium resources. As predicted by Zheshang Securities Research Institute, energy storage lithium-ion battery is expected to become the second growth pole of lithium resource demand. The "Action Plan for Carbon Dioxide Peaking before 2030" estimated that the installed capacity of new types of energy storage will reach over 30GW by 2025. Meanwhile, various provinces and municipalities have released policies and specified the targets on the installed capacity of energy storage during the "14th Five-year Plan" period. Based on incomplete statistics, the target on total installed capacity of new energy storage in all provinces is over 36.7GWh by 2025.

With the progress in lithium battery materials, cell technology and system integration technology and further demonstration of the scale effect of industrial chains, the global lithium battery witnessed a continuously decreasing cost curve, which significantly expanded its application scenarios. In particular, the application scenarios of lithium battery energy storage products were expanded significantly, such as power energy storage, new energy power generation energy storage, portable energy storage, 5G base station energy storage, household energy storage, energy storage for charging piles as well as energy storage for business buildings and data centers.

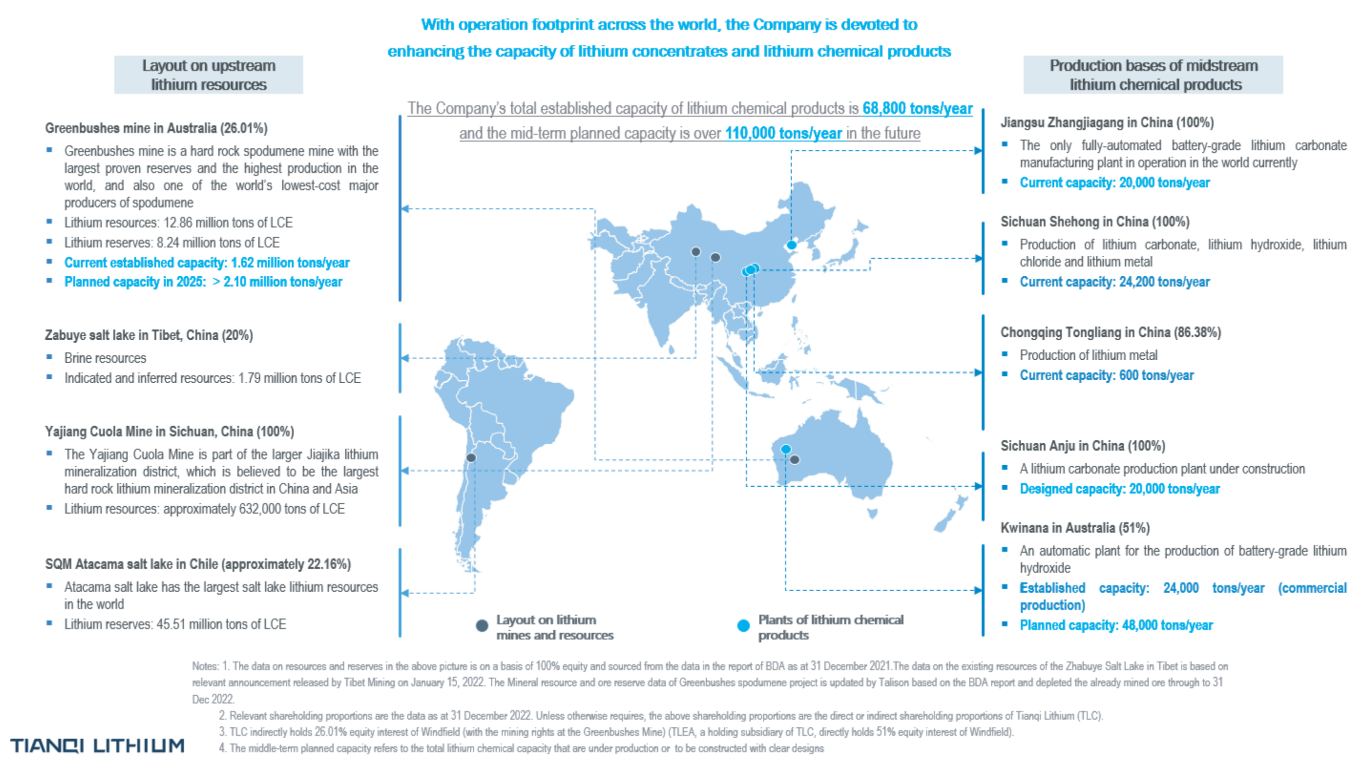
While the combined photovoltaic and energy storage and independent energy storage power stations sped up the development in overseas markets and the Chinese market entered the first year for new energy distribution and storage. With the continuous improvement of business mechanism on the power side, the grid side and end-user side, the global electrochemical energy storage is likely to embrace rapid growth. It can be seen that the accelerated application of lithium batteries in the energy storage sector is expected to become a new growth point driving lithium demand in the future.

BUSINESS REVIEW

The Group is a leading new energy material enterprise focusing on lithium both in China and globally. It is a dual-listed company on both the Shenzhen Stock Exchange (SZ.002466) and the Hong Kong Stock Exchange (9696.HK). The Company's business covers key stages of the lithium industrial chain, including the exploration and development of hard rock-type lithium mineral resources, the processing and sales of lithium concentrates, and the production and sales of lithium chemical products. During the Reporting Period, the revenue of the Group increased from RMB7,597,863 thousand in 2021 to RMB40,168,923 thousand in 2022, representing an increase of 428.69%. Gross profit of the Group increased from RMB4,687,884 thousand to RMB34,154,295 thousand, representing an increase of 628.57%. The profit for the year attributable to owners of the parent company increased from RMB3,649,185 thousand in 2021 to RMB23,944,590 thousand in 2022, representing an increase of 556.16%. Total assets of the Group increased from RMB45,800,308 thousand in 2021 to RMB72,558,017 thousand in 2022, representing an increase of 58.42%. Net assets increased from RMB19,792,952 thousand in 2021 to RMB54,758,242 thousand in 2022, representing an increase of 176.66%. The debt to asset ratio decreased from 56.78% in 2021 to 24.53% in 2022.

Throughout over 20 years of history in lithium industry, the Group has a number of stable and high-quality customers primarily incorporating global top-tier battery manufacturers, battery materials producers, multinational electronics companies and glass producers. According to the Wood Mackenzie Report, the Group's products are supplied to three of the five largest manufacturers of large-cell lithium-ion batteries in the world, as well as six of the ten largest cathode material manufacturers in the world as measured by market share in 2020. The Group has strategically deployed lithium resources in China, Australia and Chile, and has established partnerships with international customers by virtue of its vertically integrated global industrial chain advantages to jointly support the long-term sustainable development of lithium-ion battery technologies in the electric vehicle and energy storage industries.

The Group's development of lithium minerals is mainly carried out in the Greenbushes Lithium Mine owned by Talison, a holding subsidiary in Australia, and the Yajiang Cuola Mine in Sichuan, China. Talison, a holding subsidiary, processes and produces lithium concentrates. The production and sales of lithium chemical products are carried out through our plants in Shehong, Sichuan Province, Zhangjiagang, Jiangsu Province, Tongliang, Chongqing and the Kwinana Plant in Australia. In terms of production output in 2021, Talison, the Company's holding subsidiary, is the world's largest producer of lithium minerals and the Group is also the world's fourth largest and Asia's second largest producer of lithium chemical products.



1. Lithium Mines and Lithium Salt Lake Resources

The Group has completed the deployment of the highest-quality lithium mines and lithium brine resources in the world and its deployment has been continuously enhanced. With the rapid growth of sales for global new energy vehicles and the active replenishment of inventories in the industrial chain, sufficient lithium resource bases will help the Group to enhance its position in the industry and further consolidate its industrial barriers.

In December 2008, the Company obtained the exploration right of the Cuola Spodumene Mine in Yajiang County through the acquisition of Tianqi Shenghe and obtained the mining license of the mine in July 2012. At present, the project is under the updates of feasibility study.

Meanwhile, the Company indirectly obtained the control over the Greenbushes Lithium Mine, the largest lithium mine under production with the highest grade in the world, through its subsidiary in Australia in May 2014. As at the end of the Reporting Period, the project had lithium resources of approximately 12.86 million tons LCE and the average grade of lithium oxide was 1.5%. The reserve was approximately 8.24 million tons of LCE and the average grade of lithium oxide was 1.9%. As at the end of 2022, the mine's annual production capacity has reached 1.62 million tons and the total lithium concentrate output was approximately 1.35 million tons in 2022. According to the latest data of Wood Mackenzie in the fourth quarter of 2022, the Greenbushes Lithium Mine is a large lithium mineral project with the largest production capacity and output in the world in 2022. According to the data from Morgan Stanley, thanks to the large-scale mining model and the outstanding resource advantages of the Greenbushes project, which the Company controls, as well as its advanced technologies of lithium chemical production, the Company has maintained a very low gross profit margin in lithium industry during last few years. Currently, the project is at the mining stage and the total mined lithium ores reached 4 million tons in 2022 and the average grade of ores was 2.49%, including technical grade ores and chemical grade cores. Lithium resources at Greenbushes are mainly located at the Central Lode and Kapanga areas. The Central Lode is currently the major source for lithium operation while Kapanga is currently still under exploration stage. In addition to the above mineral resources, Talison also conducts secondary processing of remaining tailings of the tantalum mineral operations contained within the first tailings storage facility (TSF1), which was left before lithium exploration in Greenbushes.

At the same time, the Company deployed on the Atacama lithium brine project in Chile which has the largest reserves of lithium brine in the world through holding equity interests in SQM in Chile. The project has reserves of approximately 45.51 million tons LCE with a concentration of over 1,500mg/L and a magnesium to lithium ratio of only 6:1, ranking among the top in the world in terms of the resource and grade. According to the data prediction of Wood Mackenzie in the 4th quarter of 2022, the Atacama project will be the largest lithium brine project in the world in terms of its production capacity and output in 2022. Meanwhile, as the project is located in the Atacama Desert with high evaporation rate and scarce precipitation in the geographical environment, it is very suitable for brine evaporation. As a result, SQM adopts the most fundamental carbonate sediment approach in lithium extraction with a very low cost level in the industry.

Summary of Global Distribution of the Group's Key Lithium Resources

Lithium resources project	Category of resources	Location	Proportion of equity	Total resources (10,000 tons of LCE)	Equity resources (10,000 tons of LCE)	Operation status
Greenbushes	Spodumene mine	Australia	26.01%	1,286	334.5	Under production
Atacama	Lithium salt lake	Chile	22.16%	4,551	1,008.5	Under production
Yajiang Cuola	Spodumene mine	Sichuan	100%	63.2	63.2	Under preparation for construction
Zabuye	Lithium salt lake	Tibet	20%	179	35.8	Under production
Total	–	–	–	6,079.2	1,442.0	–

Data resources: announcements published by relevant companies

Note 1: The data on the resources of the Zhabuye brine in Tibet is based on relevant announcement released by Tibet Mining on 15 January 2022.

2. Lithium Concentrate Products

The Group is the largest lithium producer in the world. According to the data of Wood Mackenzie, Greenbushes controlled by the Company through Talison, a holding subsidiary in Australia, is a spodumene mine project with the largest production capacity and output in the world in 2022. The mine currently has an established capacity of lithium concentrate of 1.62 million tons/year. With the Chemical-Grade Plant No. 3 to be put into operation in 2025, its planned production capacity will reach over 2.1 million tons/year.

The spodumene mine project at Greenbushes currently has a total of four lithium concentrate processing plants, namely the Chemical-Grade Plant No. 1, the Chemical-Grade Plant No. 2, the Tailings Retreatment Plant, all of which are used for production of chemical grade lithium concentrates with a grade of 6% and the Technical-Grade Plant, which is used for the production of low iron technical grade lithium concentrates with a grade of 5.0% to 7.2%. Among them, the Chemical-Grade Plant No. 2 and the Tailings Retreatment Plant are still in the ramp-up stage. In the future, Greenbushes will also plan to construct the Chemical-Grade Plant No. 4 to further expand the production capacity on lithium concentrates.

Talison's current nameplate annual capacity is 1.62 million tons and its lithium concentrate output was approximately 1.35 million tons in 2022. Among which, the output of chemical-grade lithium concentrates for the year was 1.20 million tons and such products are sold to shareholders for the reprocessing of lithium chemical products. The output of technical-grade lithium concentrates was 150,000 tons in 2002. According to the distribution agreement entered into between its shareholders and Windfield, 50% of such products will be sold by the Group in the Greater China market to customers in glass and ceramics, lithium lubricating grease, metallurgy and casting and pharmaceutical sectors. Calculated based on the lithium mineral output in 2022 released by Wood Mackenzie in the fourth quarter of 2022, the lithium concentrate output of Talison in 2022 accounted for 35% of the global total lithium concentrate output, which is equivalent to the sum of the annual outputs of the second to the fifth largest lithium mineral manufacturers.

Meanwhile, Talison is speeding up the construction of the Chemical-Grade Plant No. 3 with a designed capacity of 520,000 tons/year. It is expected to complete and put into production in March 2025 and the construction of the project is currently under progression. Moreover, Talison also plans to initiate the construction of the Chemical-Grade Plant No. 4 with a designed capacity of 520,000 tons in 2025 and is preliminarily scheduled to complete and produce first ton of ore in 2027.

3. Lithium Compounds and their Derivatives

The Group has deeply explored the processing of lithium chemical products for years with an in-depth deployment on major links in the middle stream of the industrial chains. Calculated based on the output in 2021 released by Wood Mackenzie, the Group is the world's fourth largest and Asia's and China's second largest lithium compound producer.

The Group has four established lithium compound production bases in China and abroad, which are located in Shehong, Sichuan Province, Tongliang, Chongqing and Zhangjiagang, Jiangsu Province as well as Kwinana, Australia (Train-I) respectively. Lithium chemical products include lithium hydroxide, lithium carbonate, lithium chloride and lithium metal. The Group's current nameplate capacity of lithium chemical products is 68,800 tons/year, its announced planned capacity of lithium chemical products exceeds 110,000 tons, and the strategically planned annual capacity for the next five years is around 300,000 tons.

Sichuan Shehong Base is the earliest production base of the Group. It mainly processes lithium concentrates produced from the Greenbushes mine and the product covers various types such as lithium carbonate, lithium hydroxide, lithium chloride and lithium metal. Its annual capacity of comprehensive lithium chemical products is approximately 24,200 tons.

Chongqing Tongliang Base is a lithium metal production project of the Group. Despite a small market share of lithium metal in the whole lithium industry, it is expected that the demand for lithium metal in the market will continue to increase with the gradual maturity, application and popularization of solid state battery technology. Currently, the annual capacity of lithium metal at the Chongqing Tongliang Base is 600 tons.

Jiangsu Zhangjiagang Base is the only fully-automated battery-grade lithium carbonate manufacturing plant in operation in the world. It has the world's leading production technology and technological process and is considered as a benchmark in the domestic lithium carbonate market in terms of cost control and product quality with a current annual capacity of approximately 20,000 tons.

Sichuan Anju project is a lithium carbonate plant under construction with a planned annual capacity of 20,000 tons and the construction of the project is undergoing properly. The Company expects that the plant will complete construction and initiate commissioning in the second half of 2023.

As the first fully automated battery-grade lithium hydroxide plant put into operation in the world, the train-I project in Kwinana, Australia is a significant symbol in the expansion of the Group's overseas processing business. The train-I project has established a battery-grade lithium hydroxide production line with an annual capacity of 24,000 tons and its first ton of battery-grade lithium hydroxide produced in the project in May 2022 passed the internal laboratory testing already. Currently, the project is under the crucial periods of capacity ramp-up and external verification. The train-II project of the Kwinana Plant has entered the preliminary preparation stage. It is expected that the comprehensive capacity of the Kwinana Plant will reach an annual production of 48,000 tons of battery-grade lithium hydroxide.

Summary of Comprehensive Capacity of Global Lithium Products of the Group (Unit: 10,000 tons/year)

Lithium mineral processing	**Equity proportion**	**Existing capacity**	**Planned new capacity**	**Future total**
Talison	26.01%	162	52	214
Total	–	162	52	214

Lithium compound processing	**Equity proportion**	**Existing capacity**	**Planned new capacity**	**Future total**
Sichuan Shehong	100%	2.42	–	2.42
Chongqing Tongliang	86.38%	0.06	–	0.06
Sichuan Anju	100%	–	2	2
Jiangsu Zhangjiagang	100%	2	–	2
Kwinana in Australia	51%	2.4	2.4	4.8
Total	–	6.88	4.4	11.28

Note:

1. Such capacity planning only covers the period when the Chemical-Grade Plant No. 3 is completed and put into production in 2025. With the Chemical-Grade Plant No. 4 put into construction in the future, the capacity planning of Talison in the far future will reach 2.66 million tons/year.

2. In February 2023, the Company and the Municipal Government of Zhangjiagang entered into a letter of interests for investment. It is expected to establish a new lithium hydroxide production base in Zhangjiagang Bonded Area in the future. Currently, the project is under preparation.

3. The above capacity data are on 100% equity basis.

Meanwhile, the Group adopts the vertically integrated operation model and directly applies high-quality lithium concentrates mined and processed in the Greenbushes mine into the processing of lithium chemical products in the middle stream. According to the Wood Mackenzie Report, the Group is the only producer in China that has achieved 100% self-sufficiency and fully vertically integrated lithium mines through a large, consistent and stable supply of lithium concentrates. While guaranteeing the supply of resources, it reduces the cost of raw materials at the maximum extent. In combination with the Group's leading lithium compounds production and processing skills, it enables the Group to achieve the maximum profit of lithium products and establishes strong risk resistance capability. In recent years, the gross profit of the Company's production of lithium compounds fluctuated with industry cycles but maintained a leading level in the industry in the world. In 2022, the gross profit margin of the Company in the sales of lithium chemical products was 85.71%, maintaining the leading position in the industry.

4. Technology and R&D

Technology research and development capability is the cornerstone of the Company's development and a solid guarantee for sustained and steady business growth. The Group has established a strong and stable research and development team for a long time. The Company continued to consolidate its traditional main business through research and development innovation, and actively deployed the industry's future core new products (technologies) while saving energy, reducing consumption and improving product qualities, striving to diversify the Company's business categories and realize the dual-core drivers of "resources + technology". The Group's core research and development team comprises of a group of experts who were carefully selected and have balanced composition. These experts have professional educational backgrounds and extensive experience in materials engineering, inorganic chemistry, chemical engineering, metallurgy and other scientific fields essential to the research and development of lithium products. The Group encourages open and constructive competition internally and has research and development teams located in Chengdu of Sichuan, Shehong of Suining, Zhangjiagang of Jiangsu, Tongliang of Chongqing and Western Australia.

In 2022, the Group completed the first phase of the special lithium compound preparation and platform construction and developed kilogram-grade lithium orthophosphate monometallic and lithium tetraborate under standards for market sales; and completed the preliminary work for expanded trials of lithium sulfide for the next-generation solid-state batteries. The purity of lithium sulfide products has been improved to 99.9% while the impurity has been reduced by 90%. The lithium sulfide products of the Group were highly recognized by target customers. In addition, the Group successfully developed the 20 micron-grade ultra-thin metal lithium tape and achieved low-rate stable preparation. The product was included in the directory of first application plan on new materials of Chongqing in 2022. Currently, dozens of domestic and overseas well-known lithium battery enterprises and scientific research institutes have proposed cooperation intention and sampling demand for ultra-thin metal lithium tapes, which has received positive feedbacks from certain customers. The successful development of the project shows that the Group gradually expanded from the traditional resources development and production of basic lithium chemicals to core new materials and new technology sectors in the middle and down streams and developed the dual-core driving system with "resources + technology".

In terms of the comprehensive recycling of lithium residues, the Group completed the output of the lab-scale to pilot-scale (ton/dry basis) process packages and the deployment on patents; revealed and solved difficulties in the high-efficient preparation of silicon aluminum powder with lithium residues and provided basis for the design and construction of plants for the high-value and comprehensive recycling of lithium residues for the preparation of silicon aluminum powder. The completion of pilot-scale programs means that the Group explored the development with the principle of "reduction, reuse and recycling" in the recycling of bulk solid waste. While extending the economy of industrial chains, it practiced the concept of low-carbon ecology in the disposal of solid waste and enhanced the development concept on whole-process control technological route with "reduction from the source, recycling in the process and harmless treatment in the end".

The Group owns honor platforms such as National Intellectual Property Demonstration Enterprise (國家知識產權示範企業), National High-tech Industrialization Base for Magnesium and Lithium New Materials (國家鎂鋰新材料高新技術產業化基地), National Enterprise Technology Center (國家企業技術中心), National Technological Innovation Demonstration Enterprise (國家技術創新示範企業), Sichuan Provincial Key Laboratory (四川省重點實驗室), and Sichuan Provincial Engineering Technology Research Center (四川省工程技術研究中心). In 2022, the Company obtained 25 patents (including 12 invention patents and 13 utility model patents); and published 2 academic theses as the primary unit.

In addition, in September 2022, the Company initiated the 2022 Entrepreneurship Competition of Tianqi Lithium. With the theme of "Focusing on Lithium Dreams with my Gifts" and based on the national development targets on "carbon peaking and carbon neutrality", it strived to stimulate the innovation potential in industrial ecosystems through the competition to facilitate the incubation and implementation of outstanding entrepreneurship programs and promote the sustainable and innovative development of the lithium battery industry.

5. Overseas Equity Management

Since 2022, the Company has continuously enhanced the management on the corporate governance and operation of overseas wholly-owned and controlling subsidiaries and actively participated in the governance of the board of directors and operational management of overseas subsidiaries, which effectively improved the governance and management efficiency of overseas subsidiaries and bolstered the international position of the Company in the lithium industry.

TLEA, a holding subsidiary of the Company in Australia, is jointly owned by the Company and IGO, an Australian strategic investor, with a shareholding proportion of 51:49. The business of TLEA covers the Greenbushes Lithium Mine project and the Kwinana Plant. The Kwinana Plant is the first fully-automated battery-grade lithium hydroxide manufacturing plant in Australia. During the construction and operation of the plant, the Company dispatched technical experts from domestic production bases and formed an operation support team in Australia and continuously provided all-round supports and guidance to the production technology and operational management of the project. The plant has completed the construction of the train-I project and entered the stage of production commissioning. It successfully produced the first batch of battery-grade lithium hydroxide products in May 2022. Currently, the plant is speeding up in completing capacity ramp-up and external verification on products.

As the controlling shareholder of the largest hard rock lithium mineral project under production in the world, the Company deeply participates in the corporate governance, supervision and management of Windfield, a holding subsidiary in Australia. In 2022, the board of directors of Windfield considered and determined various resolutions in terms of project construction, production operation and debt financing of Talison, and the Greenbushes Lithium Mine project, which facilitated the sustainable and rapid development of Talison and practically safeguarded the interests of Shareholders and stakeholders the Company. The Company also established multi-dimensional and multi-layered communication and exchange mechanisms with the management of Windfield, regularly monitors its production, operation and financial conditions and actively participates in the operational management committees and strategic meetings of Windfield to fully understand matters which may have significant or important effects on the Company and adopts relevant solutions and response measures in a timely manner.

In addition, the Company formulated the “Administrative Measures for Directors (Supervisors) of Subsidiaries” to standardize the corporate governance works of directors and supervisors nominated by the Company in domestic and overseas wholly-owned and controlling subsidiaries, specify their duties and rights and the corresponding governance systems as well as safeguard the legitimate interests of the Company.

OUTLOOK

1. Continuously consolidate the layout on upstream lithium resources

Resource guarantee is the cornerstone of the Company's normal operation. The Group will continue to implement the concept on global industrial layout and expand the layout on upstream lithium resources. On 8 January 2023, TLEA, a controlling subsidiary of the Company in Australia, and ESS (ASX:ESS), an Australian listed Company, entered into the "Scheme Implementation Agreement" to acquire 100% of the shares of ESS at a cash price of A$0.50 per ordinary shares, totalling A$136 million, which is equivalent to approximately RMB632 million. ESS owns 100% interests of Pioneer Dome lithium mine project. The mineral resource of the project comprises 11.2 million tons with an average grade of 1.16% lithium oxide, which is equivalent to 129,000 tons of lithium oxide. Pioneer Dome is one of only 13 JORC compliant spodumene lithium resources in Australia. Currently, the transaction is undergoing properly. As at the date of this announcement, ESS has registered with and published the transaction proposal on the Australian Securities Exchange for shareholders' reference. ESS is expected to hold a general meeting on April 20, 2023 to review this transaction. The completion of this transaction will provide the Company with more resources for mineral development.

In the future, the Company will continue to implement the concept of global industrial deployment, expand further on upstream resources and pay close attention to global high-quality lithium resources programs with an open attitude for cooperation to continuously consolidate the leading position of the Company in lithium resources and provide more guarantees to the long-term and stable self-sufficiency of resources of the Company.

2. Steadily implement the Group's production expansion plan on lithium products

The Group will continue the established "vertically integrated" business model, steadily implement the capacity expansion plan on basic lithium compound and strive to achieve a lithium chemical product capacity of around 300,000 tons of lithium carbonate equivalent by 2027 to further display the synergistic effect of industrial chains. The Group will fully leverage and improve the technical advantages and experience in automatic production to continuously improve the utilization rate of resources and continuously lead the automatic production of global lithium chemical plants.

The Greenbushes Mine of Talison is constructing the Chemical-Grade Plant No. 3. The Front-End Engineering Design of the project has been completed in March 2022. In combination with local market fluctuations in Australia, the current expected capital expenses of the project are AUD$634 million, with an schedule to complete the construction and produce the first ton of lithium concentrates by March 2025. It is expected to further expand the annual lithium concentrate capacity of Talison to 2.14 million tons after the completion. Currently, the EPCM contract on the project has been awarded and all construction works are undergoing properly.

The Group will further display the synergistic effect of industrial chains and expand the lithium chemical capacity to better achieve the capacity matching of lithium concentrates and lithium chemical processing. Currently, the 20,000-ton battery-grade lithium carbonate project in Anju District, Suining City, Sichuan enters the peak period for the construction. The Company expects that the project will complete construction and start commissioning in the second half of 2023.

3. **Establish various strategic partnerships with leading companies in the upstream and downstream of the value chain to fully capture the latest opportunities**

The Group will pay close attention to the opportunities in the upstream and downstream of the industry chain, continuously optimize the investment portfolio of the Group, enhance the deployment of the industry chain, and provide new value growth points for the Group's long-term sustainable development. In terms of upstream resources, the Group will continue to seek partners to expand the deployment on high-quality lithium mineral resources, continuously promote strategic cooperation and continue to cooperate with the world's leading mining enterprises to explore new lithium resource development opportunities, so as to expand the layout of high-quality lithium mineral resources. In terms of the downstream industry chain, the Group will continue to strategically deploy new energy materials and next-generation battery technology manufacturers, including solid-state batteries, in the new energy value chain, and deepen the partnerships with them in such areas as precursor production, battery recycling, etc, pay attention to investment opportunities in electric vehicles and energy storage sectors and actively participate in downstream investment layouts to prepare for the future trend for better utilization of lithium in new battery applications.

4. **Continue to expand the Group's global business and develop global customers**

The Group, as an established leader in the global lithium industry, has built a first-class customer group and become a critical partner in the supply chain of several key battery and EV OEMs around the world. During the Reporting Period, the Group maintained stable relationships with a majority of customers, and planned to sign long-term sales agreements and strategic cooperation agreements with reputable customers to further develop and maintain stable customer relationship by continuously meeting customers' requirement for high quality and consistency. At the same time, the Group will consider global economic development, the dynamics of major-country relationships and so on, actively optimize the deployment of overseas businesses, create a new developing model for the interaction between domestic and overseas businesses, and promote integrated development of domestic and overseas businesses.

5. **Reinforce R&D capabilities, enhance know-how of the lithium battery value chain, and improve the Company's core competitiveness**

The Group will continuously adhere to the development direction of "technical transformation", concentrate the backbone force of R&D team and focus on the future development goal of building a world-class R&D platform, so as to gradually refine the Company's R&D management system, vigorously improve the level of R&D platform and R&D team, leading the world in green extraction of lithium resources, comprehensive utilization of resources and advanced material application technology and supporting the sustainable and healthy development of the lithium battery industry chain. The Group is accelerating the project of constructing a world-class R&D platform and the plan to build Tianqi Lithium Innovation and Experiment Research Institute to enhance its capabilities on the application of technological innovation and research and international testing and certification and carry the functions of talent attraction and technological conversion. In the future, with the "One Center One Platform", the Group will strive to create a high-level R&D team with strong professionalism, excellent comprehensive quality and optimal structure. In 2023, the Group will continue to advance the applied science research on lithium-metal cathode for the next generation of high-performance lithium battery and proactively form all-round strategic partnerships with downstream enterprises to incubate products and technologies; the Group will further expand the experimental results of lithium sulfide and other special lithium compound preparation research, achieve the goal of stable preparation of sizable high-purity products in batches, and customize personalized products closely to cater for the needs of downstream customers; and the Group will launch the construction of a demonstration production line for extracting lithium from brine to integrate and optimize the modular lithium extraction technology. In the future, the Group will comprehensively improve the market competitiveness of its high-end lithium products, and focus on developing and improving technologies which serve as a driver of the Company's future growth.

6. **Optimize the governance system, promote the sustainable development and continuously promote the high-quality development of the Company**

The Board of Directors will focus on "the goal of creating a world-class model enterprise of corporate governance", continue to standardize and improve the system construction, ensure that the Board of Directors operates in compliance with relevant laws and regulations, elevate the level of corporate governance in terms of enterprise culture, independence, diversity and so on, enrich the dimensions of the Company's compliance with the Corporate Governance Code, and strive to fully protect the interests of investors and promote the high-quality development of the Company through good governance of the Shareholders' General Meeting, the Board of Directors and the Board of Supervisors, accurate and timely information disclosure and sound investor communication platform construction.

To better respond to challenges brought about by climate change and speed up in the low-carbon transformation of the Company, the Group has promoted the setting of various indicators and targets, such as the planning on carbon reduction paths, the calculation of carbon footprint of products and the calculation of emissions under scope III. Leveraging on the complete ESG governance structure, the Group set strategic targets on sustainable development by 2030 and established sustainable development models and strategic houses to lead the sustainable development of the Group in the future.

FINANCIAL REVIEW

1. Overview

During the Reporting Period, the Group's revenue was RMB40,168,923 thousand, representing an increase of RMB32,571,060 thousand or 428.69% from RMB7,597,863 thousand in 2021.

The Group's gross profit was RMB34,154,295 thousand, representing an increase of RMB29,466,411 thousand or 628.57% from RMB4,687,884 thousand in 2021. The basic earnings per share of the Group were RMB15.41.

During the Reporting Period, the profit for the period attributable to owners of the parent company was RMB23,944,590 thousand, representing an increase of RMB20,295,405 thousand or 556.16% from RMB3,649,185 thousand in 2021, which was mainly due to the increase in operating revenue in line with the rising selling prices and sales volume of primary lithium products of the Company, as well as the increase in the Company's share of profits less losses of associates.

2. Analysis of revenue and cost

During the Reporting Period, the Group generated revenue from the sales of lithium concentrates and lithium compounds and derivatives. Our total revenue increased by RMB32,571,060 thousand to RMB40,168,923 thousand in 2022 from RMB7,597,863 thousand in 2021. The increase was mainly because during the Reporting Period, benefiting from a number of positive factors, such as the global prosperity of new energy vehicles, accelerated capacity expansion of lithium-ion battery manufacturers and increasing orders of downstream cathode materials, the sales volume and average selling prices of the major lithium products manufactured by the Company in 2022 significantly increased as compared to 2021.

(1) Main business by products and regions

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

Unit: RMB'000

	2022		2021		Year-on-year increase or decrease
	Amount	**Proportion of revenue**	Amount	Proportion of revenue	
Revenue	**40,168,923**	**100%**	7,597,863	100%	428.69%
By products					
Lithium concentrates	**15,414,461**	**38.37%**	2,637,679	34.72%	484.39%
Lithium compounds and derivatives	**24,754,462**	**61.63%**	4,960,184	65.28%	399.06%
By regions					
Mainland China	**33,612,173**	**83.68%**	6,578,886	86.59%	410.91%
Overseas	**6,556,750**	**16.32%**	1,018,977	13.41%	543.46%

(2) Analysis of cost of sales by products

Unit: RMB'000

	2022		2021		Year-on-year increase or decrease
	Amount	**Proportion of revenue**	Amount	Proportion of revenue	
Cost of sales	**6,014,628**	**100%**	2,909,979	100%	106.69%
By products					
Lithium concentrates	**2,477,165**	**41.19%**	1,002,049	34.43%	147.21%
Lithium compounds and derivatives	**3,537,463**	**58.81%**	1,907,930	65.57%	85.41%
By regions					
Mainland China	**4,971,341**	**82.65%**	2,435,810	83.71%	104.09%
Overseas	**1,043,287**	**17.35%**	474,169	16.29%	120.02%

3. Gross profit and gross profit margin

During the Reporting Period, the gross profit margin of the Group was 85.03%, representing an increase of 23.33% as compared with 61.70% in 2021, mainly due to upward sales prices of lithium products as a result of changes in market conditions, and the rise of price was higher than the increase in cost.

Gross profit and gross profit margin by products:

Unit: RMB'000

	2022		2021	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
Lithium concentrates	**12,937,296**	**83.93%**	1,635,630	62.01%
Lithium compounds and derivatives	**21,216,999**	**85.71%**	3,052,254	61.54%
Total	**34,154,295**	**85.03%**	4,687,884	61.70%

Gross profit and gross profit margin by regions

Unit: RMB'000

	2022		2021	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
Mainland China	**28,640,832**	**85.21%**	4,143,076	62.98%
Overseas	**5,513,463**	**84.09%**	544,808	53.47%
Total	**34,154,295**	**85.03%**	4,687,884	61.70%

4. Major customers and suppliers

During the Reporting Period, total sales of the top 5 customers of the Group was RMB24,303,919 thousand (2021: RMB3,781,664 thousand), which accounted for 60.50% of the total sales for the Reporting Period (2021: 49.77%). During the Reporting Period, total purchases from top 5 suppliers of the Group was RMB1,250,058 thousand (2021: RMB772,379 thousand), which accounted for 21.34% of the total purchases for the Reporting Period (2021: 25.19%).

5. Other net income

The other net income of the Group was mainly comprised of net realised and unrealised gains/(losses) on derivative financial instruments, gains on deemed disposal of an associate, gains/(losses) on partial disposal of an associate, net foreign exchange gains/(losses), government grants, interest income from bank deposits and net gains from modification of syndicated bank loans. During the Reporting Period, other net income of the Group amounted to RMB1,286,972 thousand, representing an increase of RMB808,379 thousand as compared with RMB478,593 thousand in 2021, which was mainly because the increases in gains on deemed disposal of an associate, gains on partial disposal of an associate and foreign exchange gains during the Reporting Period.

6. Expenses

	For the year ended 31 December 2022	For the year ended 31 December 2021	Changes	Explanations on material changes
Selling and distribution expenses	**29,034**	20,488	41.71 %	Primarily because the increase in sales volume and selling prices led to the corresponding increase in charges and insurance expense compared to last year
Administrative expenses	**409,372**	478,060	-14.37 %	Primarily due to the decrease in consulting fees for intermediary agencies
Research and development expenses	**26,703**	18,826	41.84 %	Primarily due to the increase in R&D staff and the increase in amortization of assets of R&D department
Finance costs	**1,082,721**	1,474,799	-26.59 %	Primarily due to the repayment of syndicated loans in advance, resulting in decrease in interest expense

7. Research and development expenses

The research and development expenses of the Group for the Reporting Period amounted to RMB26,703 thousand, representing an increase of 41.84% as compared to RMB18,826 thousand in 2021, and accounting for 0.07% of the Group's revenue, which was mainly due to the increase in R&D staff and depreciation and amortization of assets in R&D department during the Reporting Period.

8. Cash flows

	For the year ended 31 December 2022 ***RMB'000***	For the year ended 31 December 2021 *RMB'000*	Changes *%*	Explanations on material changes
Net cash flows generated from operating activities	**20,297,583**	2,232,917	809.02	Primarily due to the increase in the amount of cash receipts from sales of lithium products during the Reporting Period compared to last year
Net cash flows generated from/(used in) investing activities	**744,009**	(65,195)	1,241.21	Primarily due to the increase in dividends received from SQM during the Reporting Period compared to last year
Net cash flows used in financing activities	**(10,570,625)**	(1,147,848)	820.91	Primarily due to: 1) the increase in the repayment of syndicated loans and the principal and interest of other borrowings, and the increase in dividends paid to non-controlling Shareholders compared to last year during the Reporting Period; 2) partially offset by the completion of H Shares offering during the Reporting Period
Net increase in cash and cash equivalents	**10,470,967**	1,019,874	926.69	Resulting from the changes of above-mentioned capital activities

9. Financial position

Non-current assets increased by RMB7,249,963 thousand from RMB39,347,796 thousand as at 31 December 2021 to RMB46,597,759 thousand as at 31 December 2022, which was mainly due to the increase in interests in associates, property, plant and equipment, financial assets measured at fair value, and deferred tax assets.

Current assets increased by RMB19,507,746 thousand from RMB6,452,512 thousand as at 31 December 2021 to RMB25,960,258 thousand as at 31 December 2022, which was mainly due to the increase in cash and cash equivalents, trade receivables and inventories resulting from the significant increase in revenue during the Reporting Period.

Current liabilities decreased by RMB5,038,308 thousand from RMB12,593,415 thousand as at 31 December 2021 to RMB7,555,107 thousand as at 31 December 2022, which was mainly due to the repayment of bank loans and other borrowings during the Reporting Period.

Non-current liabilities decreased by RMB3,169,273 thousand from RMB13,413,941 thousand as at 31 December 2021 to RMB10,244,668 thousand as at 31 December 2022, which was mainly due to the repayment of bank loans and other borrowings during the Reporting Period.

As at 31 December 2022 and 31 December 2021, net current assets/(liabilities) of the Group amounted to RMB18,405,151 thousand and RMB(6,140,903) thousand, respectively, and net assets amounted to RMB54,758,242 thousand and RMB19,792,952 thousand, respectively.

As at 31 December 2022 and 31 December 2021, cash and cash equivalents of the Group amounted to RMB12,289,948 thousand and RMB1,766,096 thousand, respectively.

10. Income tax expenses

During the Reporting Period, income tax of the Group amounted to RMB8,813,674 thousand, representing an increase of RMB7,440,039 thousand as compared to RMB1,373,635 thousand in 2021, which was mainly due to the increase in the taxable income caused by the increase in profit before taxation for the current period.

11. Capital expenditure

During the Reporting Period, capital expenditure of the Group was RMB1,716,033 thousand, representing an increase of RMB715,121 thousand as compared to RMB1,000,912 thousand in 2021. The Group's capital expenditures mainly consisted of expenditures incurred for the purchase of property, plant and equipment (including right-of-use assets) and intangible assets. Funds used as capital expenditure of the Group were mainly sourced from cash flows generated from operating activities of the Group, bank borrowings and proceeds from share issuance.

12. Interest-bearing bank and other borrowings

As at 31 December 2022, interest-bearing bank and other borrowings of the Group amounted to RMB8,390,743 thousand. Interest-bearing bank and other borrowings of the Group that would be due within one year, due within one to two years and due within two to five years amounted to RMB127,335 thousand, RMB145,768 thousand, and RMB8,117,640 thousand, respectively. As at 31 December 2022, the Group's outstanding loans included Renminbi loans and foreign currency loans and approximately 8.35% (31 December 2021: 24.39%) of such outstanding loans were charged at fixed interest rates, with the remaining charged at floating interest rates.

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

13. Restricted assets

As at 31 December 2022, assets with a total carrying value of RMB47,784,155 thousand of the Group were used as collaterals for bank loans and other banking facilities. Such assets mainly included Windfield's total assets in Australia of RMB20,517,736 thousand, 100% equity interest in TLAI1 of RMB23,412,747 thousand, and equity investment in SQM of RMB3,776,593 thousand.

14. Gearing ratio

As at 31 December 2022, the Group's gearing ratio, defined as total liabilities (which includes current and non-current bank loans, lease liabilities and other borrowings) divided by total equity, was 15.90%, decreased by 94.30% points as compared to that as at 31 December 2021.

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

As the majority of monetary assets, liabilities and transactions of the Company are denominated in RMB, U.S. dollars and Australian dollars, the foreign exchange rate risk of the Company is primarily related to U.S. dollars and Australian dollars. The Company has established relevant systems of approval and management of foreign exchange hedging operations. On the premise of ensuring security and liquidity, the management is authorized to choose and adopt forward foreign exchange settlement and sale, foreign exchange swaps and other financial instruments to operate flexibly, so as to reduce the adverse impact of variations in exchange rates on the Company's profit-making level.

16. Contingent liabilities

On 8 December 2020, the Company and TLEA entered into an investment agreement with IGO, pursuant to which TLEA agreed to issue and IGO agreed to subscribe for 177,864,310 new shares, representing 49% equity interest in TLEA after the share subscription (the "**IGO Transaction**") which did not crystalise an Australian taxation liability. The Australian Taxation Office (the "**ATO**") is currently focusing on arrangements whereby a multiple entry consolidated group enables a tax-free exit from certain Australian investments. The Group is currently engaged with the ATO in respect of the IGO Transaction to obtain certainty of the tax outcomes, although this engagement process is in its early stages so the outcome and timing is uncertain at this stage.

17. Employees and remuneration system

As at 31 December 2022, the Group had a total of 2,191 employees. In accordance with the PRC Labor Contract Law (《中華人民共和國勞動合同法》) and other laws and regulations, the Group followed the principles of professionalism, differentiation and unification, established and continuously improved the remuneration management system, actively built the remuneration and welfare system taking into account both external competitiveness and internal fairness, and provided employees with a comprehensive remuneration and welfare consisting of fixed wages, short-term incentives, long-term incentives and employee benefits.

18. Capital commitments

Capital commitments of the Group as at 31 December 2022 were as follows:

	As at 31 December	
	2022	2021
	RMB'000	*RMB'000*
Contracted for	**1,477,053**	659,332

19. Share capital

As at 31 December 2022, share capital of the Company was set out as follows:

	Number of issued shares	**Percentage**
A Shares	1,477,099,383	90%
H Shares	164,122,200	10%
Total	1,641,221,583	100%

OTHER INFORMATION

Significant investment, material acquisition and disposal

The Group did not have any significant investments held, or any material acquisition or disposal of any relevant subsidiaries, associates and joint ventures during the Reporting Period.

Albemarle Agreements

Pursusant to the off-take agreement and the distribution agreement between Talison Lithium Australia and Albemarle Germany (the "**Albemarle Off-take Agreement**" and "**Albemarle Distribution Agreement**" respectively, and collectively, the "**Albemarle Agreements**"), Talison shall sell certain technical-grade lithium concentrates and chemical-grade lithium concentrates produced by it to Albemarle Germany. During the year ended 31 December 2022, the total amount of technical-grade and chemical-grade lithium concentrates sold by Talison to Albemarle Germany was 659,442.08 tons, with the sales amount of RMB12,959,079,307.55. For further details of the Albemarle Agreements, please refer to the section headed "Connected Transactions" in the prospectus of the Company.

Final Dividend

The Board proposed to distribute cash dividend of RMB30 (tax inclusive) for every 10 shares to all shareholders of the Company, based on the total share capital of the Company as at the record date of shareholding (deducting the number of shares held in the repurchase account of the Group). If the total share capital of the Company changes during the period from the promulgation to implementation of the annual profit distribution plan, the aggregate distribution will be adjusted based on the total share capital as at the record date of shareholding as determined by the implementation of the annual profit distribution plan, with the distribution ratio unchanged. The above proposal will be put forward at the forthcoming annual general meeting (the "**AGM**") of the Company for consideration and approval. The specific arrangements regarding the final dividend and its distribution and the arrangement of the closure of register of members of H Shares will be disclosed separately in the circular for the AGM. The Company will announce separately the expected dividend payment date.

Changes to Information on Directors, Supervisors and Chief Executive

During the Reporting Period, the changes of Directors, Supervisors and senior management personnel of the Company are as follows:

Name	Positions held	Type	Date
Jiang Anqi	Vice chairlady	Elected	28 April 2022
Guo Wei	Executive vice president (deputy general manager)	Appointed	28 April 2022
Liu Ying	Executive vice president (deputy general manager)	Appointed	28 April 2022
Li Guo	Vice president (deputy general manager)	Appointed	28 April 2022
Huang Wei	Independent non-executive Director	Elected	22 June 2022
Zhou Fu	Vice president	Resigned	29 July 2022

Save as disclosed above, as far as known to the Company, during the Reporting Period, there were no changes to information that were required to be disclosed by the Directors, Supervisors and chief executives of the Company pursuant to Rule 13.51B(1) of the Listing Rules.

OTHER SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

1. The issuance of H shares of the Company and listing on the Main Board of the Hong Kong Stock Exchange

At the 19th meeting of the fifth session of the Board of Directors, the 16th meeting of the fifth session of the Board of Supervisors and the third extraordinary general meeting of 2021, the Company considered and approved the Proposal on the Issuance of H Shares by the Company and Listing on the Main Board of The Stock Exchange of Hong Kong Limited and other proposals relating to the issuance of H Shares by the Company, in which the Company intends to issue overseas listed foreign shares (H Shares) and apply for listing on the Main Board of the Hong Kong Stock Exchange. All listed foreign shares are ordinary shares, denominated in RMB and subscribed in foreign currency, with a par value of RMB1 each. Subject to the regulatory requirements such as the minimum issue ratio in the place where the Company's shares are listed and taking into account the capital requirements for the Company's future business development, the number of H Shares to be issued will not exceed 20% of the total share capital of the Company after the issue (before the exercise of the over-allotment option) or the minimum issue ratio requirement in the place where the Company's shares are listed (whichever is higher), and the proceeds, after deducting the issue expenses, will be used for (including but not limited to) repayment of existing debts, capacity expansion and replenishment of working capital. The relevant resolutions for the issue and listing shall be valid for 18 months from the date of consideration and approval of such resolutions by the Shareholders' General Meeting of the Company.

The Company submitted an application to the China Securities Regulatory Commission ("**CSRC**") for the listing and issuance and received the Approval for the Issuance of Overseas Listed Foreign Shares by Tianqi Lithium Corporation (Zheng Jian Xu Ke [2022] No. 1114) from CSRC on 2 June 2022. The Company submitted the application for the listing and issuance to the Hong Kong Stock Exchange on 28 January 2022, and published the application materials for the listing and issuance on the website of the Hong Kong Stock Exchange on the same day. The Listing Committee of the Hong Kong Stock Exchange held a listing hearing on 16 June 2022, and considered the Company's application for the listing and issuance. The total number of H Shares in the global offering of the Company was 164,122,200 (before any exercise of the over-allotment option), of which 16,412,400 shares were issued in the Hong Kong public offering, representing approximately 10% of the total number in global offering (before any exercise of the over-allotment option); 147,709,800 shares were issued in the international offering, representing approximately 90% of the total number in global offering (before any exercise of the over-allotment option), at an issue price of HK$82 per share. The H Shares in the offering were listed and commenced trading on the Hong Kong Stock Exchange on 13 July 2022. The stabilized price period of the Global Offering ended on 5 August 2022 (i.e. the 30th day after the deadline for submission of applications for the Hong Kong Public Offering). The joint representatives appointed by the Company (on behalf of the international underwriters) did not exercise the over-allotment option during the stabilization period and therefore the over-allotment option lapsed on 5 August 2022, and there was no change in the shares of the Company before and after the invalidation of the over-allotment option. The share capital of the Company after the H Share issuance is as follows:

Class of shares	Number (shares)	Percentage
Domestically listed domestic shares (A Shares)	1,477,099,383	90%
Overseas-listed foreign shares (H Shares)	164,122,200	10%
Total number of shares	1,641,221,583	100%

Details relating to usage of proceeds raised from the issuance of H shares, please refer to the below section of Utilization of the Proceeds from H Share Offering of the Company.

2. Participation in the Initial Public Offering of CALB in Hong Kong as a Cornerstone Investor

On 21 September 2022, the Resolution on Participation in the Initial Public Offering of CALB in Hong Kong as a Cornerstone Investor was considered and approved at the 30th meeting of the fifth session of the Board of Directors of the Company, pursuant to which Tianqi Lithium HK, a wholly-owned subsidiary of the Company, intended to participate in the subscription for shares under the initial public offering of CALB Co., Ltd. ("**CALB**") on the Stock Exchange as a cornerstone investor with its own funds of not more than US$100 million (equivalent to approximately RMB695 million, calculated at the RMB central parity published by the China Foreign Exchange Trade System on 20 September 2022; including brokerage fee, the Stock Exchange trading fee, the SFC transaction levy, FRC transaction levy, etc.), and entered into the Cornerstone Investment Agreement with CALB, Huatai Financial Holdings (Hong Kong) Limited and other underwriters (if applicable) on 21 September 2022.

The shares of CALB has listed and commenced trading on the Hong Kong Stock Exchange on 6 October 2022, with a total of 265,845,300 shares issued at a price of HK$38 per share. The Company, as one of the largest cornerstone investors of the offering, invested a total of approximately US$100 million and subscribed for 20,217,200 shares, representing 7.47% of the shares under the offering and 1.12% of the share capital after the offering, with a lock-up period of 6 months for the cornerstone investors.

3. Listing of an investee of the Company on the New York Stock Exchange

On 1 February 2022, IVANHOE Capital Acquisition Corp (NYSE: IVAN, IVANHOE Capital Acquisition Corp, hereinafter referred to as "**IVANHOE**") held an extraordinary general meeting to consider and approve the business combination with SES, an investee of the Company, and IVANHOE changed its name to "SES AI Corporation"; on 3 February 2022, it completed a private non-public issuance of its ordinary shares at an issuance price of US$10.0 per share, raising aggregate proceeds of approximately US$275 million; on 4 February 2022, the merged company's Class A ordinary shares and warrants commenced trading on the New York Stock Exchange under the new stock codes of "SES" and "SES WS", respectively. The business combination of SES and IVANHOE will create better conditions for the implementation of its longer-term strategic plan in the future, which will further accelerate the commercialization of lithium metal batteries and lay a solid foundation for its market expansion and development in the related business areas. As at the date of this announcement, the Company held 27,740,256 shares of SES, which were released from the sales restriction.

4. Progress of Lithium Hydroxide Project in Australia

The first train of the "Battery-grade Lithium Hydroxide Monohydrate Project with an Annual Output of 24,000 Tons" (the "**Lithium Hydroxide Project (Train I)**") launched by the Company in October 2016 was considered and approved at the 37th meeting of the fourth session of the Board of Directors of the Company held on 25 October 2019. The total investment amount of such project was adjusted from A$398 million to A$770 million (equivalent to approximately RMB3.712 billion, calculated at the mid-price of the RMB exchange rate published by the China Foreign Exchange Trade System on 25 October 2019), and the increased investment was self-financed by the Company. Currently, such project has completed the load commissioning for all processes and linked up the whole process, and the plant has entered the formal trial production stage by the end of 2021. After repeated commissioning and optimization, the first batch of approximately 10 tons of lithium hydroxide products passed the Company's internal laboratory sampling and testing, and on 19 May 2022, all parameters were confirmed to meet the battery-grade lithium hydroxide standard.

After passing sampling tests in the in-house laboratory, the first batch of samples of lithium hydroxide products will be sent by TLK to SGS-CSTC Standards Technical Services Co., Ltd ("**SGS**") in China for inspection. SGS is an internationally recognized testing, verification and certification body, and the samples sent by TLK for inspection are tested and analyzed against the Chinese battery-grade lithium hydroxide monohydrate standard GB/T26008-2020. Certification result from SGS is consistent with the one from the Company's in-house laboratory. TLK is poised and is distributing samples of relevant lithium hydroxide products to potential offtakers for customer certification.

The plant now is able to support continuous production and operation. Management of TLK reasonably estimate that the output of this project is expected to rise steadily from December 2022. Based on the above factors, the Company determines that the Lithium Hydroxide Project (Train I) has been capable of operating commercially since 30 November 2022. The Company and TLK will continue to focus on achieving and consolidating stable, consistent and reliable plant operations.

5. Progress of The Production Expansion Project of Talison Lithium Concentrates

On 24 July 2018, the Proposal on Approving the Phase III Lithium Concentrate Production Expansion Plan of Talison was considered and approved at the 18th meeting of the fourth session of the Board of Directors of the Company, which agreed that Talison would officially launch the construction for continued expansion of the production capacity of chemical grade lithium concentrates, construct an independent, dedicated largescale chemical grade lithium concentrates production facility and new ore crushing facility to build supporting infrastructure for subsequent production expansion at the same time; the project site is located in Greenbushes, Western Australia with an estimated total project investment of approximately A$516 million, and the funds are self-raised by Talison; the construction was originally planned to be completed and the trial production was originally planned to commence in the fourth quarter of 2020. In light of the market situation, as at March 2022, the board of directors of Windfield decided to adjust the overall project budget to A$626.8 million, representing an increase of A$69.3 million over the original budget, and postpone the planned trial operation to 2025 based on the latest front-end engineering design research report of the project. The reasons for this adjustment to the total budget include the increase in labor costs, the increase in equipment improvement and camp construction costs, the increase in the cost of freight supply, etc. In September 2022, based on the implementation of the CGP2 optimization project, management of Windfield planned to improve the performance of certain equipment originally to be purchased, and with the approval of the Board of Directors of Windfield, the overall budget of the project was decided to adjust to A$632 million, representing an increase of A$5.1 million over the original budget. The time of trial operation originally planned remained unchanged. Upon completion of the project, it is expected that the production capacity for the chemical grade lithium concentrates of Talison will increase to 2 million tons per year.

At present, Talison's existing production capacity can meet the production demands of the Company, and the commissioning time of phase III chemical grade lithium concentrates expansion project of Talison will not affect the Company's normal production and operation activities.

6. Progress of Anju Project

As at 4 December 2017, the Proposal on Signing the Investment Agreement was approved at the 11th meeting of the fourth session of the Board of Directors of the Company, which signed the Investment Agreement with the People's Government of Anju District, Suining City. Both parties reached a cooperation consensus in respect of the Company's project of "New Lithium Carbonate Plant with Annual Output of 20,000 Tons" (the "**Anju project**" or the "**Project**") in the Chemical Industrial Park of Anju District, Suining City, which planned a total investment of approximately RMB1.5 billion. As at 7 September 2018, the Proposal on the Construction of "Project on Lithium Carbonate Plant with an Annual Output of 20,000 Tons in Anju District of Suining of Tianqi Lithium" was considered and approved at the 22nd meeting of the fourth session of the Board of Directors held by the Company, which agreed that the Company would launch the construction of a battery-grade lithium carbonate plant with an annual output of 20,000 tons in Anju District of Suining. The implementation subject of the project is Suining Tianqi, a wholly-owned subsidiary of the Company and the project is to construct a battery-grade lithium carbonate plant with an annual output of 20,000 tons; the project construction site is located in Andong Avenue Chemical Industrial Park, Industrial Concentration Zone, Anju District, Suining City, Sichuan Province; the construction goal of the project is to achieve the target production capacity of battery-grade lithium carbonate with an annual output of 20,000 tons in Suining Tianqi; the total investment of the project is expected to be RMB1,431.01 million, and the funds are self-raised.

As a result of various factors, the operating results of the Company decreased significantly in 2019. Especially since February 2020, the Company's liquidity pressure has further increased. Therefore, in order to ensure normal production and operation, taking into account the then financial capital position of the Company, the management decided to adjust the construction progress and capital investment plan arrangement of the Anju project, and slow down the overall pace of the project construction. Since 2021, benefiting from a number of positive factors, such as the global prosperity of new energy vehicles, accelerated capacity expansion of lithium-ion battery manufacturers and increasing orders of downstream cathode materials, the Company's operating condition was improved and the tight liquidity situation was mitigated. Meanwhile, the orders of downstream customers of the Company were saturated and the supply of products can't meet the demand. To continually enhance the Company's share in the downstream market, optimize the Company's existing capacity allocation and further improve the Company's profitability, the Company intended to resume the construction pace of the Anju project after comprehensively evaluating the capital situation and improving the project planning, and gradually push forward the project construction and capital investment as planned.

In July 2022, the Company's management reviewed the progress and budget of the project as well as the commencement of the construction bidding and agreed to increase the project's budget to RMB1,484,192,800. In October 2022, the Company's budget management team finally approved the budget of the Project to be RMB1,477,807,100. The Project is expected to be completed in the second half of 2023.

7. External Investment of The Wholly-Owned Subsidiary and Establishment of Joint Venture

In accordance with the strategic development needs, Tianqichuang Lithium, a wholly-owned subsidiary of the Company, and Beijing WeLion New Energy Technology Co., Ltd.* (北京衛藍新能源科技有限公司) ("**Beijing WeLion**") entered into the Cooperation Agreement (the "**Cooperation Agreement**") on 20 May 2022. Both parties planned to jointly contribute to establish a joint venture, to jointly engage in the research and development, production, sales and other related businesses of pre-lithiation manufacturing equipment products. Tianqichuang Lithium intends to contribute RMB10.2 million in currency, representing 51% of the registered capital of the joint venture. Beijing WeLion intends to contribute RMB6.8 million, representing 34% of the registered capital of the joint venture; among which, RMB2 million is funded in the form of currency and RMB4.8 million is funded in the form of intellectual property rights, the actual amount of capital contribution is subject to the result of appraisal report issued by the qualified appraisal institution. The joint venture will set aside 15% of the entire registered capital for employee equity incentives.

As at the date of this announcement, the joint venture, Tianqi WeLion Solid Lithium New Materials (Shenzhen) Co., Ltd. (天齊衛藍固鋰新材料(深圳)有限公司), has been officially established. The establishment of the joint venture is beneficial to promote the sound development of industrial operations and the industrial integration of the Company, enhance the Company's core competitiveness and profitability, provide investors with better returns, which is in line with the Company's long-term development strategy and the interests of all Shareholders.

8. Successful Appointment of Directors of SQM and the Disposal of a Portion of the Series B Equity Interests Held in SQM

In April 2022, at the annual general meeting convened by SQM, a joint-stock company of the Company, three candidates nominated by the Company were successfully elected as directors of SQM, namely, Mr. Ashley Ozols, an Australian business consultant, Ms. Dang Qi, a former chief journalist of Xinhua News Agency office in Santiago, Chile, and Mr. Antonio Schneider, a well-known businessman in Chile.

In early 2019, after fully analyzing the Company's overall budget and capital needs for 2019, the Company financed through the Series B shares of SQM held by its wholly-owned subsidiary Tianqi Lithium HK, to further satisfy the capital needs for the construction, commissioning and ramp-up of the lithium hydroxide project of the Company's subsidiary TLK. As the share price of SQM's Series B shares continuously declined in the first half of 2019, after the preliminary research on various financing options and repeated demonstration at the commercial level, the Company selected a 3-year collar option financing scheme with a higher loan amount, which can meet the Company's capital needs to the maximum extent. In view of the progressive expiration of the aforesaid financing from January 2022, as fully demonstrated by the management of the Company and as considered and approved at the 22nd meeting of the fifth session of the Board of Directors and the 19th meeting of the fifth session of the Board of Supervisors of the Company, the Company intended to use the Series B equity interest of SQM previously pledged to the financier for physical delivery upon maturity. Taking into account the current capital position of the Company and its domestic and overseas subsidiaries, the overall capital budget of the Company for 2022 and the maturity of interest-bearing liabilities, the Board of Directors agreed to authorize the management of the Company to choose the physical delivery method (i.e. to sell all pledged Series B shares of SQM), and authorize the management to choose to recover part of the remaining shares or sell all of the remaining shares to recover cash based on the actual price, timing and other factors.

As at 28 June 2022, the Company has completed the delivery of all the contracts relating to abovementioned collar options, with physical delivery of 4,526,828 Series B shares of SQM. After the completion of the delivery, the Company still holds 748,490 Series B shares of SQM and 62,556,568 Series A shares of SQM, and the Company's total shareholding percentage in SQM is approximately 22.16%. The disposal of a portion of the Series B equity interests held in SQM by the Company will not affect the board seats held by the Company in SQM, will not have material adverse impact on the Company's future main business and ability to continue as a going concern, and there exist no circumstances that are detrimental to the interests of the Company and all Shareholders (especially for minority Shareholders).

9. Termination of Litigation and Arbitration Matters

In connection with the litigation arising in March 2020 between TLK and MSP, which is the general contractor for the construction of the lithium hydroxide project in Kwinana, Australia, the Supreme Court of Western Australia (the "**Supreme Court of Western Australia**") adjudicated on 8 March 2021 that TLK should pay MSP the project arrears by 15 March 2021, of which the total amount of principal and interest is A$38,881,500. TLK filed an appeal under the relevant Australian law and paid the full amount of A$38,881,500 to the escrow account of relevant court on 9 April 2021. TLK was subsequently served with a notice by the Court of Appeal on 12 August 2021, with an appeal hearing date of 10 November 2021. In addition, the arbitration application for liquidated damages filed by TLK against MSP, the arbitration application for guarantee filed by MSP against Chengdu Tianqi Lithium Co., Limited, a wholly-owned subsidiary of the Company, and the arbitration of the statement of claim contained in a supplemental notice of dispute filed by MSP against TLK have been consolidated and heard concurrently by the dispute resolution authority of Western Australia with a tribunal hearing date of 21 February 2022.

The management of the Company has been paying close attention to and attaching great importance to the subsequent progress of the aforesaid litigation and arbitration matters, and has organized relevant parties to actively negotiate with MSP with a view to properly handling the possible adverse impact of the relevant litigation and arbitration results on the Company. On 18 October 2021, the Company and TLK reached an agreement with MSP on all the aforesaid litigation and arbitration cases and signed the Deed of Settlement and Release (the "**Settlement Agreement**").

Immediately after the signing of the Settlement Agreement, TLK and MSP jointly applied to the Court of Appeal and the Arbitral Tribunal for the termination of the appeal proceedings and the suspension of all arbitration proceedings, respectively, and received the formal document from the Court of Appeal on 22 October 2021, specifying the termination of the appeal proceedings. On 24 February 2022, TLK and MSP jointly filed an application for terminating the first instance proceedings between MSP and TLK and an application for terminating all the aforesaid arbitration proceedings between MSP and the Company and its subsidiaries in the Supreme Court of Western Australia and the Arbitral Tribunal of Western Australia, respectively; on 3 March 2022, TLK received the official document from the Supreme Court of Western Australia agreeing to terminate the proceedings of the first instance case, and the proceedings between MSP and TLK have been completely terminated; on 4 March 2022, TLK received the official document from the Arbitral Tribunal of Western Australia agreeing to terminate all arbitration disputes. At this point, all judicial proceedings including litigations and arbitrations between MSP and the Company and its subsidiaries have been completely terminated.

For details, please refer to the announcements of the Company published on the Shenzhen Stock Exchange on 11 March 2021, 18 March 2021, 6 April 2021, 10 April 2021, 19 October 2021 and 8 March 2022, respectively.

Employee Stock Ownership Plan

In order to further improve the corporate governance mechanism, enhance the overall value of the Company, as well as further improve the core competitive advantages of the Company, improve the compensation incentive system, and realize equal emphasis on incentives and constraints, and as proposed by the Board, the Company approved to implement the Employee Stock Ownership Plan of the Year 2022 (Draft) for the directors (excluding independent directors), supervisors, middle and senior management personnel, and core business/technical personnel of the Company or its subsidiaries at the first extraordinary general meeting of 2022 held on 17 October 2022. Meanwhile, for regulating the implementation of the Employee Stock Ownership Plan of the Year 2022 of the Company and ensuring the effective implementation of the Employee Stock Ownership Plan, the Board approved the Administrative Measures for the Employee Stock Ownership Plan of the Year 2022 of Tianqi Lithium Corporation, which were formulated by the Company.

In order to ensure the smooth implementation of the Employee Stock Ownership Plan, the Company intended to repurchase certain RMB denominated ordinary shares (A Shares) in issue through centralized price bidding with its own funds for the purpose of implementation of the Employee Stock Ownership Plan. The repurchase price shall not exceed RMB150 per share (inclusive), which does not exceed 150% of the average trading price of the Company's shares within 30 trading days before the date of the approval of the resolution on the share repurchase plan by the Board. The total funds for the repurchase shall be not less than RMB136 million (inclusive) and not more than RMB200 million (inclusive). The Company has opened a designated account for share repurchase at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, which is solely for repurchasing shares of the Company. On 23 September 2022, the Company conducted its first share repurchase through centralized price bidding. A total of 1,780,366 A Shares were repurchased, representing 0.11% of the total share capital of the Company. Therefore, the total amount paid for the repurchase was RMB199,985,000.

The Company held the first Holders' Meeting of the Employee Stock Ownership Plan of the Year 2022 on 21 December 2022, at which the establishment of the Management Committee of the Employee Stock Ownership Plan of the Year 2022 was approved and the members and chairman of the Management Committee of the Employee Stock Ownership Plan of the Year 2022 were elected with a term being the same term of the Employee Stock Ownership Plan of the Year 2022. All members of the above Management Committee are employees of the Company who have not taken up a position in the controlling shareholder or a de facto controller of the Company and are not shareholders holding more than 5% of the shares or de facto controllers of the Company and have no related relationship with the above parties, other directors, supervisors and senior management of the Company.

Prior to the transfer of shares, the Company has opened a designated securities account for the Employee Stock Ownership Plan at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited ("**CSDC**"). The name of the securities account is "Tianqi Lithium Corporation – Employee Stock Ownership Plan of the Year 2022" and the number of the securities account is 0899357438. The upper limit of total funds of the Employee Stock Ownership Plan upon its establishment is RMB200 million with "units" for granting. Each unit is equal to RMB1 and the total units of the Employee Stock Ownership Plan shall be no more than 200 million units. The units of the Employee Stock Ownership Plan actually granted were 119.7 million, representing 1,062,400 A Shares of the Company. The units actually granted did not exceed the upper limit of the units proposed to be granted as considered and approved at the general meeting.

On 21 December 2022, the Company received the "Confirmation of Transfer Registration" issued by China Securities Depository and Clearing Corporation Limited. The 1,312,400 A Shares (including 250,000 reserved shares) of the Company held in the designated account for share repurchase (securities account: 0899990607) have been transferred to the "Tianqi Lithium Corporation – Employee Stock Ownership Plan of the Year 2022" (securities account: 0899357438) by means of non-transaction transfer on 21 December 2022 and the transfer price was RMB0 per share. As at the end of the Reporting Period, the account for the Employee Stock Ownership Plan of the Year 2022 of the Company held 1,312,400 A Shares of the Company, accounting for 0.08% of the total share capital of the Company.

For details, please refer to the announcements of the Company published on the Shenzhen Stock Exchange on 24 August 2022, 31 August 2022 and 22 December 2022, respectively.

SIGNIFICANT EVENTS AFTER THE REPORT PERIOD

In order to further expand the lithium mineral resource bases of the Company and after preliminary inspections, analysis and judgment, the Company held the 33rd meeting of the fifth session of the Board of Directors of the Company on 5 January 2023, which considered and approved the "Resolution on Proposed Purchase and Signing of Equity Interest of Essential Metals Limited in Australia by a Holding Subsidiary of the Company". TLEA, a holding subsidiary of the Company, proposed to enter into the "Scheme Implementation Agreement" with ESS, an Australian listed Company, to purchase all shares of ESS at a price of AUD$0.50 per share and a total price of AUD$136 million (equivalent to approximately RMB632 million, calculated at the RMB central parity published by the China Foreign Exchange Trade System on 4 January 2023) (the "**Transaction**"). In addition to shares in issue, the current capital structure of ESS also includes unlisted options and non-listed performance options. The price of the Transaction was determined by both parties through negotiations and consultations with reference to the market price. The Transaction considered the dilution as a result of the exercise of options by the owners of the options of ESS. The value per share after dilution included the impacts of the options exercised on the assumption that all performance-based rights are part of the vesting upon acquisition. After the completion of the Transaction, TLEA will hold 100% equity interest of ESS in issue. On 8 January 2023, TLEA and ESS signed the Scheme Implementation Agreement. The Transaction is subject to the voting by more than half of the shareholders of ESS and the approval of more than 75% of the total voting shares participating in the voting held by shareholders participating in the voting. At the same time, it shall obtain the review and approval of the Australian Securities & Investments Commission, the Australian Securities Exchange, Australian local courts and other competent authorities and meet the conditions precedent on the Transaction as specified in the Scheme Implementation Agreement. As a result, the implementation of the Transaction is subject to uncertainties.

For details, please refer to the announcements of the Company published on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange on 9 January 2023, respectively.

Utilization of the Proceeds from H Share Offering of the Company

Upon approval by the CSRC in accordance with the Reply on the Approval for the Issuance of Overseas Listed Foreign Shares by Tianqi Lithium Corporation (Zheng Jian Xu Ke [2022] No. 1114) issued on 2 June 2022, the Company issued its H Shares and was listed on the Main Board of the Hong Kong Stock Exchange on 13 July 2022. A total of 164,122,200 H Shares (before any exercise of the over-allotment option) were issued at the price of HK$82 per share through both public offering and international placement. After deducting underwriting fees and other issuance expenses, the net proceeds from the Global Offering were approximately HK$13.062 billion, which will be used for the purpose and proportion as set out in the H Share Prospectus of the Company. The table below sets out the proposed purposes of the net proceeds and summary of usage as at 31 December 2022:

Unit: HK$ million

Proposed use of proceeds	Planned use of the net proceeds	Utilized net proceeds as at 31 December 2022	Balance as at 31 December 2022	Expected timeline of use of proceeds
Repay the outstanding balance of the SQM Indebtedness	8,865	8,865	0	
Fund the construction of Phase I of the Anju Plant	1,170	363.71	806.29	From April 2023 to June 2024
Repay certain PRC domestic bank loans	1,721	1,721	0	
Working capital and general corporate purposes	1,306	1,306	0	
Total	13,062	12,255.71	806.29	

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is firmly committed to achieving and maintaining high overall standards of corporate governance through continuous effort in improving its corporate governance practices. Through the establishment of a sound and effective corporate governance framework, the Company strives to achieve completeness and transparency in its information disclosure and enhance stable operation, so as to safeguard the interests of the Shareholders to the greatest extent. The Company has complied with all the principles and applicable code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the year ended 31 December 2022.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors and Supervisors of our Company. Having made specific enquiry to all Directors and Supervisors, the Company confirms that the Directors and Supervisors have complied with the standards regarding the securities transactions by Directors and Supervisors as set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Save for the repurchase as disclosed under the section headed “Employee Stock Ownership Plan” above, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any listed securities of the Company during the Reporting Period.

The Company completed the global offering of its H Shares and was listed on the Main Board of the Hong Kong Stock Exchange on 13 July 2022, issuing 164,122,200 H Shares. For details of the utilization of the proceeds from H Share Offering of the Company, please refer to “Utilization of the Proceeds from H Share Offering of the Company” above.

REVIEW OF THE 2022 ANNUAL RESULTS

The audit and risk committee of the Company (the "**Audit and Risk Committee**") has been established by the Board in compliance with Rules 3.21 and 3.22 of the Listing Rules and the terms of reference of code provision D.3.3 as set out in the Corporate Governance Code. The Audit and Risk Committee currently consists of three independent non-executive Directors, namely Ms. Tang Guo Qiong, Mr. Pan Ying and Mr. Xiang Chuan. Ms. Tang Guo Qiong serves as the chairlady of the Audit and Risk Committee and possesses the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Group's audited consolidated financial results for the year ended 31 December 2022 have been considered and approved by the Audit and Risk Committee, which was of the view that the preparation of such financial results have complied with the requirements of the applicable accounting standards, the Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The financial information in respect of the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto as disclosed in the results announcement of the Group for the year ended 31 December 2022 has been agreed by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditor on the preliminary results announcement.

ANNUAL GENERAL MEETING

The 2022 AGM of the Company will be held on Friday, 16 June 2023. A circular containing further information in respect to the AGM will be dispatched to the holders of H Shares of the Company as soon as practicable. The relevant information about the closure of register of members for the AGM will be set out in the circular.

By order of the Board
Tianqi Lithium Corporation
JIANG Weiping
Chairman of the Board

Chengdu, PRC
30 March 2023

As at the date of this announcement, the Board comprises Mr. JIANG Weiping, Ms. JIANG Anqi, Mr. HA, Frank Chun Shing and Mr. ZOU Jun as executive directors, Mr. PAN Ying, Mr. XIANG Chuan, Ms. TANG Guo Qiong and Ms. HUANG Wei as independent non-executive directors.

DEFINITIONS

"Articles of Association"	the Articles of Association of Tianqi Lithium Corporation
"Albemarle Germany"	Rockwood Lithium GmbH (now Albemarle Germany GmbH), the controlling shareholder of RT Lithium and a subsidiary of a global chemicals company listed on the New York Stock Exchange, namely, Albemarle Corporation, and a connected person of the Company at the subsidiary level
"A Shares"	domestic shares of our Company with a nominal value of RMB1.00 each which are listed on the Shenzhen Stock Exchange and traded in RMB
"A-share Listing Rules"	Listing Rules of Shenzhen Stock Exchange
"A$" or "AUD$"	Australian dollars, the lawful currency of Australia
"Board of Directors" or "Board"	the Board of Directors of Tianqi Lithium Corporation
"Board of Supervisors"	the Board of Supervisors of Tianqi Lithium Corporation
"Chengdu Tianqi"	Chengdu Tianqi Lithium Co., Limited (成都天齊鋰業有限公司), a wholly-owned subsidiary of the Company
"Chongqing Tianqi"	Chongqing Tianqi Lithium Co., Limited (重慶天齊鋰業有限責任公司), a holding subsidiary of Chengdu Tianqi
"Company," "our Company"	Tianqi Lithium Corporation (天齊鋰業股份有限公司)
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	director(s) of our Company, including all executive directors and independent non-executive directors
"Group"	the Company and its subsidiaries
"HK$" or "Hong Kong dollars" or "HK dollars"	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"H Shares"	overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange

"IGO"	IGO Limited, a limited liability company incorporated in Australia on 5 October 2000 and listed on the Australian Securities Exchange (stock code: IGO), which holds 49% equity interest in TLEA through its wholly-owned subsidiary IGO Lithium Holdings Pty. Ltd.
"Jiangsu Tianqi"	Tianqi Lithium (Jiangsu) Co., Limited (天齊鋰業(江蘇)有限公司), a wholly-owned subsidiary of the Company and was owned as to 97.5% and 2.5% by Chengdu Tianqi and Tianqi Lithium HK, respectively, as at 31 December 2022
"LCE"	lithium carbonate equivalent, a unit of measurement for lithium
"Listing of H Shares"	listing of H Shares of the Company on the Main Board of the Hong Kong Stock Exchange on 13 July 2022
"Ministry of Ecology and Environment"	the Ministry of Ecology and Environment of PRC
"Ministry of Industry and Information Technology" or "MIIT"	the Ministry of Industry and Information Technology of PRC
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Hong Kong Listing Rules
"MSP"	MSP Engineering Pty Ltd (MSP 工程私人有限公司), once served as the general contractor for the lithium hydroxide project of TLK
"National Development and Reform Commission" or "NDRC"	the National Development and Reform Commission of PRC
"National Energy Administration" or "NEA"	the National Energy Administration of PRC
"Reporting Period"	the year ended 31 December 2022
"PRC" or "China"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"SEHK" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"SES"	SES Holdings Pte.Ltd, an investee of Tianqi Lithium HK, whose name was changed to SES AI Corporation after business combination with IVANHOE Capital Acquisition Corp., and was owned as to 7.97% by the Company as at the end of the Reporting Period
"SFC"	the Securities and Futures Commission of Hong Kong
"Shareholder(s)"	holder(s) of our Shares
"Shareholders' General Meeting"	the Shareholders' General Meeting of Tianqi Lithium Corporation
"Shehong Tianqi"	Tianqi Lithium (Shehong) Co., Limited (天齊鋰業(射洪)有限公司), a wholly-owned subsidiary of the Company
"Shenghe Lithium"	Sichuan Tianqi Shenghe Lithium Co., Ltd. (四川天齊盛合鋰業有限公司), a limited liability company incorporated in the PRC on 4 November 2008, in which the Company holds 49% equity interest with the remaining 51% held by Tianqi Lithium (Shehong) Co., Limited (天齊鋰業(射洪)有限公司)
"Single Largest Group of Shareholders"	refers to Tianqi Group Company, Mr. Jiang Weiping (蔣衛平), Ms. Jiang Anqi (蔣安琪)and Ms. Zhang Jing (張靜)
"SQM"	Sociedad Quimica y Minera de Chile S.A., a publicly held company incorporated in Chile on 29 June 1968 and listed on the Santiago Stock Exchange, the Santiago Electronic Stock Exchange and the New York Stock Exchange, in which Tianqi Lithium HK and Tianqi Chile held 0.26% and 21.90%, respectively, of the equity interest as at 31 December 2022
"SQM Indebtedness"	bank borrowings incurred under two syndicated facility agreements with aggregate original loan facilities of US$3.5 billion to finance the purchase price, acquisition costs and fees associated with the SQM Transaction
"State Council"	State Council of the PRC (中華人民共和國國務院)
"Suining Tianqi"	Suining Tianqi Lithium Co., Ltd. (遂寧天齊鋰業有限公司), a wholly-owned subsidiary of Chengdu Tianqi
"Supervisor(s)"	Supervisor(s) of our Company
"SZSE"	Shenzhen Stock Exchange
"Talison"	Talison Lithium Pty Ltd, a limited liability company incorporated in Australia on 22 October 2009 and a wholly-owned subsidiary of Windfield

"Talison Lithium Australia"	Talison Lithium Australia Pty Ltd, a limited liability company incorporated in Australia on 11 September 2009, in which the Company holds a 26.01% equity interest indirectly through Windfield
"Tianqi Group Company"	Chengdu Tianqi Industrial (Group) Co., Limited (成都天齊實業(集團)有限公司), a company with limited liability incorporated in the PRC on 6 December 2003, which is a member of the Single Largest Group of Shareholders of the Company holding 416,316,432 A Shares, representing 25.37% of the total issued share capital of the Company as at the date of the announcement
"Tianqi Lithium HK"	Tianqi Lithium HK Co., Limited, a limited liability company incorporated in Hong Kong on 11 March 2015, which is a wholly-owned subsidiary of the Company
"Tianqi Resources"	Tianqi Lithium Resource Recycling Technologies Research & Development (Jiangsu) Co., Limited (天齊鋰業資源循環技術研發(江蘇)有限公司), a wholly-owned subsidiary of Jiangsu Tianqi
"TLA"	Tianqi Lithium Australia Pty Ltd, a limited liability company incorporated in Australia on 9 November 2017, formerly a wholly-owned subsidiary of TLH, now a wholly-owned subsidiary of TLEA
"TLEA"	Tianqi Lithium Energy Australia Pty Ltd, formerly known as Tianqi UK Limited (天齊英國有限公司), a limited liability company incorporated in the United Kingdom on 26 March 2014, in which the Company holds a 51% equity interest and the remaining 49% equity interest is held by IGO Lithium
"TLH"	Tianqi Lithium Holdings Pty Ltd, a wholly-owned subsidiary of Chengdu Tianqi
"TLK"	Tianqi Lithium Kwinana Pty Ltd, formerly known as Tianqi Lithium Australia Pty Ltd, a limited liability company incorporated in Australia on 27 April 2016, which is a wholly-owned subsidiary of TLA
"U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"Windfield"	Windfield Holdings Pty Ltd, a limited liability company incorporated in Australia on 21 September 2012, a subsidiary of TLEA and with 51% equity interest held by TLEA
"Wood Mackenzie"	Wood Mackenzie (Asia Pacific) Pty. Ltd.