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TIANQI LITHIUM

Tianqi Lithium Corporation

天齊鋰業股份有限公司

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

(Stock Code: 9696)

INSIDE INFORMATION/OVERSEAS REGULATORY ANNOUNCEMENT 2023 THIRD QUARTERLY REPORT

This announcement is made pursuant to the disclosure obligations under Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The following is the 2023 third quarterly report of the Company for the nine months ended 30 September 2023 (the “**Reporting Period**”). The financial data contained in the 2023 third quarterly report are prepared in accordance with the China Accounting Standards for Business Enterprises and are unaudited. In the event of any discrepancy between the Chinese and the English versions, the Chinese version shall prevail.

IMPORTANT NOTICE:

1. The board of directors (the “**Board**”) and the board of supervisors (the “**Board of Supervisors**”) of Tianqi Lithium Corporation (the “**Company**”) as well as its directors, supervisors and senior management warrant the truthfulness, accuracy and completeness of the information contained in the quarterly report, and warrant that there are no false representations or misleading statements contained in or material omissions from this report and severally and jointly accept legal responsibility pursuant to such information.
2. Person in charge of the Company, person in charge of the accounting, and head of the accounting department (chief accountant) have declared that they guarantee the truthfulness, accuracy and completeness of the financial information in the quarterly report.
3. Has the third quarterly report been audited

Yes No

I. KEY FINANCIAL DATA

(I) Key Accounting Data and Financial Indicators

Whether retroactive adjustments or restatements would be made by the Company to the accounting data for the previous years

Yes No

	<i>Unit: RMB</i>			
	The Reporting Period	Increase/decrease in this Reporting Period compared to the same period of last year (%)	Period from the beginning of this year to the end of this Reporting Period	Increase/decrease in the period from the beginning of this year to the end of this Reporting Period compared to the same period of last year (%)
Operating income (RMB)	8,575,931,902.40	-17.14%	33,399,166,232.91	35.52%
Net profit attributable to shareholders of the listed company (RMB)	1,646,051,259.20	-70.89%	8,098,513,756.30	-49.33%
Net profit attributable to shareholders of the listed company after deduction of non-recurring gains and losses (RMB)	1,572,484,555.67	-72.12%	7,982,341,649.95	-46.50%
Net cash flow from operating activities (RMB)	-	-	20,035,216,823.45	70.73%
Basic earnings per share (RMB/share)	1.00	-71.35%	4.93	-52.96%
Diluted earnings per share (RMB/share)	1.00	-71.35%	4.93	-52.96%
Weighted average rate of return on net assets	3.17%	decrease by 12.57 percentage points	15.79%	decrease by 49.40 percentage points
		As at the end of the Reporting Period	As at the end the last year	Increase/decrease at the end of the Reporting Period compared with the end of last year (%)
Total assets (RMB)	74,431,600,384.02		70,846,492,117.36	5.06%
Owner's equity attributable to shareholders of the listed company (RMB)	52,609,880,623.78		48,494,210,116.87	8.49%

(II) NON-RECURRING GAINS AND LOSSES ITEMS AND AMOUNTS

✓ Applicable □ Not applicable

Unit: RMB

Items	Amount for the Reporting Period	Amount for the period from the beginning of this year to the end of this Reporting Period	Explanation
Gains or losses on disposal of non-current assets (including the written-off portion of provisions for asset impairment)	7,781,711.96	6,291,331.81	
Government grants (except for government grants which are closely related to the Company's normal business operations, in line with national policies and regulations and conform with the amount and quantities at a certain standard) charged to gains or losses for the current period	91,636,826.78	149,712,910.54	Primarily due to the government grants received
Other non-operating income and expenses apart from the items stated above	1,497,754.68	10,669,711.41	
Other profit and loss items that meet the definition of non-recurring profits and losses	-13,705.62	4,214,298.80	The investment income recognized as a result of change in loan structure to link with sustainable performance
Less: effect on income tax	25,468,568.57	43,490,038.34	
Amount affected by minority shareholders' equity (after tax)	1,867,315.70	11,226,107.87	
	<u>73,566,703.53</u>	<u>116,172,106.35</u>	<u>-</u>

Details of other gains or losses items within the definition of non-recurring gains and losses:

Applicable Not applicable

From January to September 2023, the Company made changes on the syndicated loans structures to link with sustainable performance. According to the relevant provisions of Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Company recalculated the book value of financial liabilities based on the changes in contractual cash flows after the change, and included the relevant gains into investment income.

Notes for the non-recurring gains or losses items as listed in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Gains or Losses defined as the recurring gains or losses items.

Applicable Not applicable

No non-recurring gains or losses items as listed in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Gains or Losses were defined as recurring gains or losses items for the Company.

(III) Circumstances for changes in key accounting data and financial indicators and the reasons thereof

Applicable Not applicable

Key accounting data and financial indicators	The Reporting Period	The corresponding period of last year	Percentage of change	Reasons for the change
Net profit attributable to shareholders of the listed company (RMB)	1,646,051,259.20	5,653,820,646.20	-70.89%	Primarily due to: 1) the decrease in the sales of lithium compounds products and the average selling prices of primary lithium products of the Company during the Reporting Period compared to the corresponding period of last year; 2) the fact that based on the estimation of Bloomberg that the results of the Company's associate SQM for the third quarter of 2023 would decrease year-on-year, the Company recognized a decrease in investment income from such associate for the Reporting Period compared to the corresponding period of last year

Key accounting data and financial indicators	The Reporting Period	The corresponding period of last year	Percentage of change	Reasons for the change
Net profit attributable to shareholders of the listed company after deduction of non – recurring gains and losses (RMB)	1,572,484,555.67	5,639,467,719.29	-72.12%	Primarily due to: 1) the decrease in the sales of lithium compounds products and the average selling prices of primary lithium products of the Company during the Reporting Period compared to the corresponding period of last year; 2) the fact that based on the estimation of Bloomberg that the results of the Company’s associate SQM for the third quarter of 2023 would decrease year-on-year, the Company recognized a decrease in investment income from such associate for the Reporting Period compared to the corresponding period of last year
Basic earnings per share (RMB/share)	1.00	3.49	-71.35%	Primarily due to the decrease in net profit attributable to shareholders of the listed company during the Reporting Period compared to the corresponding period of last year
Diluted earnings per share (RMB/share)	1.00	3.49	-71.35%	Primarily due to the decrease in net profit attributable to shareholders of the listed company during the Reporting Period compared to the corresponding period of last year

Key accounting data and financial indicators	Period from the beginning of this year to the end of this Reporting Period	The corresponding period of last year/ balance at the beginning of this year	Percentage of change	Reasons for the change
Operating income (RMB)	33,399,166,232.91	24,645,952,756.05	35.52%	Primarily due to: the increase in the sales of primary lithium products and the average selling prices of lithium concentrates of the Company during the Reporting Period compared to the corresponding period of last year
Net profit attributable to shareholders of the listed company (RMB)	8,098,513,756.30	15,981,408,779.72	-49.33%	Primarily due to: 1) the decrease in the average selling prices of lithium chemical products of the Company during the Reporting Period, resulting in lower gross profit margins of the lithium chemical products; 2) During the Reporting Period, the increase in the selling price of lithium concentrates led to an increase in the net profit of the Group's holding subsidiary Windfield, and the profit attributable to non-controlling interests during the Reporting Period increase accordingly; 3) the fact that SES, the investee of the Company, was listed on the New York Stock Exchange in the same period of last year, and the Company lost the significant influence over SES due to passive dilution of its equity in SES. As a result, the Company generated the investment income from the accounting change of investment in SES from long-term equity investment to other equity instrument investment in the same period of last year, while no such matter during the Reporting Period. The investment income decreased by approximately RMB1.2 billion year-on-year; 4) the fact that based on the estimation of Bloomberg that the results of the Company's associate SQM for the third quarter of 2023 would decrease year-on-year, the Company recognized a decrease in investment income from such associate for the Reporting Period compared to the corresponding period of last year

Key accounting data and financial indicators	Period from the beginning of this year to the end of this Reporting Period	The corresponding period of last year/ balance at the beginning of this year	Percentage of change	Reasons for the change
Net profit attributable to shareholders of the listed company after deduction of non – recurring gains and losses (RMB)	7,982,341,649.95	14,920,249,734.11	-46.50%	Primarily due to: 1) the decrease in the average selling prices of lithium chemical products of the Company during the Reporting Period, resulting in lower gross profit margins of the lithium chemical products; 2) During the Reporting Period, the increase in the selling price of lithium concentrates led to an increase in the net profit of the Group's holding subsidiary Windfield, and the profit attributable to non-controlling interests during the Reporting Period increase accordingly; 3) the fact that based on the estimation of Bloomberg that the results of the Company's associate SQM for the third quarter of 2023 would decrease year-on-year, the Company recognized a decrease in investment income from such associate for the Reporting Period compared to the corresponding period of last year
Net cash flows generated from operating activities (RMB)	20,035,216,823.45	11,735,361,724.43	70.73%	Primarily due to the increase in the amount of cash receipts and gross profit corresponding to the sales revenue for the Reporting Period compared to the corresponding period of last year
Basic earnings per share (RMB/share)	4.93	10.48	-52.96%	Primarily due to the decrease in the net profit attributable to shareholders of the listed company for the Reporting Period compared to the corresponding period of last year
Diluted earnings per share (RMB/share)	4.93	10.48	-52.96%	Primarily due to the decrease in the net profit attributable to shareholders of the listed company for the Reporting Period compared to the corresponding period of last year
Weighted average rate of return on net assets	15.79%	65.19%	-49.40%	Primarily due to: 1) the decrease in the net profit attributable to shareholders of the listed company for the Reporting Period compared to the corresponding period of last year; 2) the increase in beginning net assets attributable to shareholders of the listed companies for the Reporting Period compared to the corresponding period of last year

II. INFORMATION ON SHAREHOLDERS

(I) Total number of ordinary shareholders and preferred shareholders with voting rights resumed and shareholdings of the top ten shareholders

Unit: Shares

Total number of ordinary shareholders at the end of the Reporting Period	331,561 (A shares), 46 (H shares)	Total number of preferred shareholders with voting rights resumed at the end of the Reporting Period (if any)	0
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Shareholdings of the top ten shareholders

Name of shareholders	Nature of shareholders	Proportion of shareholding (%)	Number of shares held	Number of shares held subject to lock-up	Shares pledged, marked or frozen	
					Status of shares	Number
Chengdu Tianqi Industrial (Group) Co., Limited	Domestic non-state-owned legal person	25.35%	416,043,732	0	pledged	11,500,000
HKSCC NOMINEES LIMITED	Foreign legal person	10.00%	164,110,575	0		
Zhang Jing	Domestic natural person	4.18%	68,679,877	0		
Hongkong Securities Clearing Company Limited	Foreign legal person	3.99%	65,499,069	0		
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	1.70%	27,853,574	0		
Bank of China Limited – UBS SDIC New Energy Mixed Securities Investment Fund (中國銀行股份有限公司 – 國投瑞銀新能源混合型證券投資基金)	Others	0.45%	7,466,146	0		
Bank of China Limited – China AMC New Energy Vehicle Traded Open-End Index Securities Investment Fund (中國銀行股份有限公司 – 華夏中證新能源汽車交易型開放式指數證券投資基金)	Others	0.45%	7,360,414	0		
Postal Savings Bank of China Co., Ltd. - Eastern New Energy Vehicle Theme Hybrid Securities Investment Fund (中國郵政儲蓄銀行股份有限公司 – 東方新能源汽車主題混合型證券投資基金)	Others	0.44%	7,162,164	0		
Industrial and Commercial Bank of China Limited – China Universal CSI New Energy Vehicle Industry Index-based Initiated Securities Investment Fund (中國工商銀行股份有限公司 – 匯添富中證新能源汽車產業指數型發起式證券投資基金)(LOF)	Others	0.42%	6,861,725	0		
Industrial and Commercial Bank of China Limited – Huatai-Pinebridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund (中國工商銀行股份有限公司 – 華泰柏瑞滬深300交易型開放式指數證券投資基金)	Others	0.41%	6,756,340	0		

Shareholdings of top ten shareholders holding shares without lock-up

Name of shareholders	Number of shares held without lock-up	Class of shares	
		Class of shares	Number
Chengdu Tianqi Industrial (Group) Co., Limited	416,043,732	RMB denominated ordinary shares	416,043,732
HKSCC NOMINEES LIMITED	164,110,575	Overseas listed foreign shares	164,110,575
Zhang Jing	68,679,877	RMB denominated ordinary shares	68,679,877
Hongkong Securities Clearing Company Limited	65,499,069	RMB denominated ordinary shares	65,499,069
China Securities Finance Corporation Limited	27,853,574	RMB denominated ordinary shares	27,853,574
Bank of China Limited – UBS SDIC New Energy Mixed Securities Investment Fund (中國銀行股份有限公司 – 國投瑞銀新能源混合型證券投資基金)	7,466,146	RMB denominated ordinary shares	7,466,146
Bank of China Limited – China AMC New Energy Vehicle Traded Open-End Index Securities Investment Fund (中國銀行股份有限公司 – 華夏中證新能源汽車交易型開放式指數證券投資基金)	7,360,414	RMB denominated ordinary shares	7,360,414
Postal Savings Bank of China Co., Ltd. - Eastern New Energy Vehicle Theme Hybrid Securities Investment Fund (中國郵政儲蓄銀行股份有限公司 – 東方新能源汽車主題混合型證券投資基金)	7,162,164	RMB denominated ordinary shares	7,162,164
Industrial and Commercial Bank of China Limited – China Universal CSI New Energy Vehicle Industry Index-based Initiated Securities Investment Fund (中國工商銀行股份有限公司 – 匯添富中證新能源汽車產業指數型發起式證券投資基金)(LOF)	6,861,725	RMB denominated ordinary shares	6,861,725

Shareholdings of top ten shareholders holding shares without lock-up

Name of shareholders	Number of shares held without lock-up	Class of shares	
		Class of shares	Number
Industrial and Commercial Bank of China Limited – Huatai-Pinebridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深 300 交易型開放式指數證券投資基金)	6,756,340	RMB denominated ordinary shares	6,756,340

Description of interests or acting-in-concert relationship of the above shareholders

Among the above-mentioned shareholders, Ms. Zhang Jing and Mr. Jiang Weiping, the actual controller of Chengdu Tianqi Industrial (Group) Co., Limited (namely, the actual controller of our Company), are spouses. Except for this, the Company is neither aware of any interests among the other shareholders of outstanding shares nor aware of whether other shareholders are parties acting in concert according to the Measures for the Administration of the Takeover of Listed Companies (《上市公司收購管理辦法》).

Description of Top 10 shareholders' Participation in margin trading (if any)

During the Reporting Period, Chengdu Tianqi Industrial (Group) Co., Limited participated in the Securities Lending Business for Refinancing, and as of the end of the Reporting Period, a total of 272,700 shares were lent out. The ownership of the shares lent out through Securities Lending Business for Refinancing will not be transferred, therefore, the actual number of shares held by Tianqi Group Company is still 416,316,432 A Shares.

Chengdu Tianqi Industrial (Group) Co., Ltd. has terminated the Securities Lending Business for Refinancing in advance on 11 October 2023. For details, please refer to the “Announcement on Tianqi Group’s Early Termination of the Securities Lending Business for Refinancing “ disclosed on CNINFO (<http://www.cninfo.com.cn>) (Announcement No.: 2023-047).

(II) Total number of preferred shareholders of the Company and the shareholdings of the top ten preferred shareholders

Applicable Not applicable

III. OTHER MAJOR ISSUES

✓ Applicable Not applicable

1. **Completion of the profit distribution for 2022 as an effective means for shareholders' returning**

At the 35th meeting of the fifth session of the Board of Directors and the 2022 annual general meeting convened on 30 March 2023 and 16 June 2023, respectively, the “2022 Profit Distribution Plan” was considered and approved, pursuant to which the Company proposed to distribute cash dividends of RMB30.00 (tax inclusive) for every 10 shares to all shareholders on the basis of the share capital entitled to profit distribution as registered on the record date of the profit distribution, with no profit distribution in the form of conversion of capital reserve into share capital or distribution of bonus shares. In accordance with the “Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 9 – Share Repurchase”, the shares in the repurchase account are not entitled to profit distribution. Therefore, the total number of shares in the Company entitled to profit distribution is the total share capital after deducting the number of shares held in the repurchase account of the Company. As of the record date of the profit distribution to the Company's A Shares, the total share capital of the Company was 1,641,221,583 Shares (including 1,477,099,383 A Shares and 164,122,200 H Shares), and after deduction of 467,966 A Shares repurchased by the Company, the total number of the Company's A Shares and H Shares entitled to profit distribution is 1,476,631,417 and 164,122,200, respectively. The Company completed the profit distribution regarding A Shares and H Shares on 30 June 2023 and 16 August 2023, respectively, in which total cash dividends paid for A Shares and H Shares amounted to RMB4,429,894,251.00 (tax inclusive) and RMB492,366,600.00 (tax inclusive), respectively. As of the date of this Report, the Company's profit distribution plan for 2022 had been completed.

2. **External investment in new energy vehicles by the wholly-owned subsidiary of the Company and participation in the series A equity financing of smart Mobility Pte. Ltd.**

In accordance with the strategic development needs, the Company held the 5th meeting of the Sixth session of the Board of Directors on 13 July 2023, which considered and approved the “Proposal on External Investment by the Wholly-Owned Subsidiary and Signing the Share Subscription Agreement”. Tianqi Lithium HK, a wholly-owned subsidiary of the Company, intends to participate in the Series A equity financing of smart Mobility Pte. Ltd. (“SM”) by means of subscribing for the newly registered capital, and signs the Share Subscription Agreement (the “**Subscription Agreement**”) with SM. According to the proposed Subscription Agreement, the Company plans to, as the lead investor, participate in SM's Series A equity financing with its own funds of US\$150 million, and subscribe for 17,605,633 Class A ordinary shares issued by SM. The aggregate financing amount for this round of financing of SM ranges from US\$250 million to US\$300 million. Prior to this investment of the Company, the substantial shareholders of SM were Zhejiang Geely Holding Group Co., Ltd. and Mercedes-Benz Group AG. After this investment, the Company will hold 17,605,633 Class A ordinary shares of SM, accounting for 2.83% of the total share capital of SM after the investment. On 13 September 2023, the Company entered into the “Share Purchase Agreement” with SM in Chengdu. As of the date of this Report, the transaction is yet to be completed.

On 13 September 2023, the Company signed a “Strategic Cooperation Agreement” and a “Memorandum of Understanding” with Geely Holding Group Co., Ltd. and Mercedes-Benz Group AG respectively, to jointly explore new growth opportunities and bring more innovation and development to the new energy industry. The “Strategic Cooperation Agreement” and “Memorandum of Understanding” signed are intentional documents, and part of the terms are not legally binding and will not make significant impact on the Company’s current and future operating results. There is uncertainty as to whether the relevant intentions will be implemented and the details in relation to the implementation is also uncertain. Investors are advised to invest rationally and pay attention to investment risks.

3. The Company applied to the Guangzhou Futures Exchange for the qualification of a lithium carbonate delivery warehouse

During the 6th meeting of the sixth session of the Board of Directors held on 30 August 2023, the Board reviewed and approved the proposal to apply for the qualification of a lithium carbonate designated delivery warehouse at the Guangzhou Futures Exchange, and authorized the Company’s management to submit the application materials and handle other matters concerned. As of the date of this Report, the Company has submitted the application. Uncertainty exists regarding the application, and the final decision is subject to the approval by the Guangzhou Futures Exchange.

4. Progress of the Lithium Hydroxide Project in Australia

At the 31st meeting of the third session of the Board of Directors convened by the Company on 5 September 2016, the “Proposal on Construction of the Battery-grade Lithium Hydroxide Monohydrate Project with an Annual Capacity of 24,000 Tons” was considered and approved, pursuant to which the Company proposed to invest and construct the Battery-grade Lithium Hydroxide Monohydrate Project in Kwinana, Australia with an annual capacity of 24,000 tons (the “**Lithium Hydroxide Project (Train I)**” or the “**Project**”). The Project was carried out by TLK, a subsidiary of the Company incorporated in Australia. The Company disclosed the announcements in relation to the progress of the Lithium Hydroxide Project (Train I) in May 2022 and December 2022 respectively. As disclosed in those announcements, after multiple times of commissioning and optimization, the first batch of approximately 10 tons of lithium hydroxide products passed our internal laboratory’s sampling test, and on 19 May 2022, all parameters were confirmed to meet the battery-grade lithium hydroxide standard. Subsequently, samples of this batch of lithium hydroxide products were sent by TLK to SGS-CSTC Standards Technical Services Co., Ltd. in China for independent inspection, and this third-party laboratory confirmed such samples met the GB/T26008-2020 standard in November 2022. TLK has gradually distributed samples of such lithium hydroxide products to potential purchasers for the purpose of customer certification as

planned, which is expected to take four to eight months. TLK's management reasonably estimated that the output of the Project was expected to grow steadily from December 2022. Therefore, the Company was of the view that the capacity of the Lithium Hydroxide Project (Train I) would have been up to the standard of commercialized production since 30 November 2022. The Train I Lithium Hydroxide production line has been in stable production from January to April 2023 since its commercial production realized in December 2022, and is in the stage of capacity ramp-up; the Project started equipment maintenance in April 2023 as scheduled, and then encountered some technical problems; it has resumed production on 19 June 2023 and is now in the stage of capacity ramp-up.

In addition, TLK distributed the products to the potential purchasers for the purpose of certification in December 2022 and January 2023, respectively. Up to now, the lithium hydroxide sample distributed by the Group to SK On has been certified by it. Apart from this, TLK has not received any feedback on the relevant certification results from other potential purchasers.

The actual schedule of completion is still uncertain due to the higher requirements of downstream highend lithium battery manufacturers on lithium hydroxide products from the suppliers; after the formal commercialized production of the project, it is necessary to gradually improve the load rate for capacity ramp-up before reaching the designed production capacity; in the process of capacity ramp-up, if there are any problems affecting the quality and yield, local process optimization and technical transformation are required to gradually reach the designed production capacity. If the price of the lithium reduces and the above steps are implemented later than expected, the realization of the project income will be delayed and the results of operations of the Group will be adversely affected for a certain period. In addition, if the lithium hydroxide products produced by the Group fail to pass the customer's sampling test as scheduled, the Group's early investment in such projects may face the risk of loss, impairment provision or failure to be recovered completely in the future. The Group has invested a large amount as capital expenditure in the project, and the increase in the investment may lead to a lower return on investment than expected, and the corresponding capital cost, depreciation after the conversion into fixed assets and other operating costs will be increased. Investors are advised to invest rationally and pay attention to investment risks.

5. Progress of the Anju Project

On 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 and Investment Agreement was signed 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 capacity of 20,000 Tons" (the "Anju project" or the "Project") in the Chemical Industrial Park of Anju District, Suining City, with a total capital investment of approximately RMB1.5 billion. On 7 September 2018, the Proposal on the Construction of "Lithium Carbonate Plant with an Annual capacity of 20,000 Tons in Anju District of Suining of Tianqi Lithium" was reviewed 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 capacity of 20,000 tons in Anju District of Suining. The owner 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 capacity of 20,000 tons; the project is located in Andong Avenue Chemical Industrial Park, Industrial Concentration Zone, Anju District, Suining City, Sichuan Province; the target for construction is to achieve production capacity of battery-grade lithium carbonate with an annual capacity of 20,000 tons in Suining Tianqi; the total capital investment of the project is expected to be RMB1,431.01 million with the funds being self-raised.

As a result of various factors, the operational results of the Group decreased significantly in 2019. Especially since February 2020, the Group's liquidity pressure has been 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 for the Anju project, and slowed down the overall project construction. Since 2021, benefitted from various positive factors, including the global prosperity of new energy vehicles, accelerated capacity expansion of lithium-ion battery manufacturers and increasing orders of downstream cathode materials, the Group's operational results were improved and the tight liquidity situation was eased. Meanwhile, the orders from downstream customers of the Group were saturated and the supply of products can't meet the demand. To continually enhance the Group's share in the downstream market, optimize the Group's existing capacity allocation and further improve the Group's profitability, the Group intended to resume the construction 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 team reviewed the progress and budget usage of the project as well as the construction bidding process 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 achieved mechanical completion as at the date of this report, and entered the commissioning phase.

As affected by changes in a variety of factors (including but not limited to products supply and demand, global economic growth, production costs, labor costs, and technological development), lithium products prices are volatile. The decline in lithium products prices caused by these factors may have an adverse impact on the profitability of the project. On the other hand, if the price of lithium products rises significantly or keeps rising significantly, customers may seek other more affordable products to replace lithium products, thereby leading to a reduction in market demand for the lithium products as produced by the project, thereby affecting the profit of this project. In the follow-up, after the first batch of battery-grade lithium carbonate is produced from this project, it still needs to be sent to the third party laboratory for testing; before commercialized production can be achieved, certification from downstream customers shall be obtained and the plant shall maintain stable, continuous and reliable operation. After the formal commercialized production of the project, it is necessary to gradually improve the load rate for capacity ramp-up before reaching the designed production capacity; In the process of capacity ramp-up, if there are any problems affecting the quality and yield, local process optimization and technical transformation are required to gradually reach the designed production capacity. If the completion time of the above steps does not meet expectations, the realization of the project income will be delayed and the results of operations of the Group will be affected. Investors are advised to invest rationally and pay attention to investment risks.

6. Capital increase and share capital expansion of the wholly-owned subsidiary of the Company and introduction of strategic investors

On 30 May 2023, Shenghe Lithium, a wholly-owned subsidiary of the Company, introduced a strategic investor Zijin Mining, by means of capital increase and share capital expansion. According to the “Capital Increase and Share Capital Expansion Agreement” entered into by them, in this capital increase, Hainan Zijin Lithium, a wholly-owned subsidiary of Zijin Mining, proposed to contribute cash to subscribe for the newly registered capital of Shenghe Lithium. The Company and its wholly-owned subsidiary Shehong Tianqi waived all the pre-emptive rights for capital contribution to Shenghe Lithium. Upon completion of this capital increase, the Company holds 39.20% equity interest in Shenghe Lithium, Shehong Tianqi, a wholly-owned subsidiary of the Company, holds 40.80% equity interest in Shenghe Lithium, and Hainan Zijin Lithium holds 20% equity interest in Shenghe Lithium. Upon completion of the capital increase and share capital expansion, the Company still has control over Shenghe Lithium, and Shenghe Lithium is still included within the scope of the consolidated statements of the Company. As of the date of this Report, Shenghe Lithium has completed the capital increase and share capital expansion and relevant equity transfer.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial statements

1. Consolidated balance sheet

Prepared by: Tianqi Lithium Corporation

30 September 2023

Unit: RMB

Item	As at 30 September 2023	As at 1 January 2023
Current assets:		
Monetary fund	8,124,415,505.94	12,461,008,474.73
Clearing settlement fund		
Capital lending		
Financial assets held for trading		
Derivative financial assets		
Bills receivable	67,380,479.81	515,943,502.21
Accounts receivable	6,994,594,143.84	7,377,274,205.21
Accounts receivable financing	1,209,184,291.45	2,595,287,604.49
Prepayments	85,994,233.02	77,586,761.38
Premium receivable		
Reinsurance receivable		
Reinsurance contract reserves receivable		
Other receivables	359,991,609.04	80,988,289.41
Including: Interest receivable		
Dividends receivable	276,991,634.49	16,058,754.25
Financial assets under reselling agreement		
Inventories	3,375,902,082.88	2,143,943,033.33
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	2,204,497,616.59	737,746,887.47
Total current assets	22,421,959,962.57	25,989,778,758.23

Item	As at 30 September 2023	As at 1 January 2023
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	27,298,703,399.00	25,582,124,440.52
Other equity instrument investments	1,669,151,531.85	1,953,152,359.11
Other non-current financial assets		
Investment properties		
Fixed assets	8,067,104,799.78	8,132,731,060.80
Construction in progress	5,930,358,773.77	3,668,563,285.54
Biological assets for production		
Fuel assets		
Right-of-use assets	1,362,785,515.81	282,181,687.76
Intangible assets	4,147,368,035.47	3,578,820,042.20
Development expenses		
Goodwill	416,100,700.47	416,100,700.47
Long-term deferred expenses	2,041,714.31	3,860,581.20
Deferred income tax assets	3,019,273,131.22	1,162,423,471.27
Other non-current assets	96,752,819.77	76,755,730.26
Total non-current assets	52,009,640,421.45	44,856,713,359.13
Total assets	74,431,600,384.02	70,846,492,117.36
Current liabilities:		
Short-term loans	1,128,800.00	98,922,828.00
Loans from PBOC		
Capital borrowed		
Financial liabilities held for trading		
Derivative financial liabilities		
Bills payable	365,462,935.44	185,881,211.33
Accounts payable	2,375,785,424.40	2,525,538,601.41
Advances from customers		
Contract liabilities	81,294,415.55	351,227,109.80
Financial assets sold under repurchase agreements		
Deposit taking and deposit in the inter-bank market		
Acting trading securities		
Acting underwriting securities		
Staff salaries payable	114,484,051.74	147,577,680.53
Taxes payable	6,910,965,789.82	3,967,365,371.82
Other payables	45,212,035.67	18,889,381.29

Item	As at 30 September 2023	As at 1 January 2023
Including: Interest payable		
Dividends payable	1,184,850.10	
Charges and commissions payable		
Reinsurance payable		
Liabilities held for sale		
Non-current liabilities due within one year	395,543,830.83	74,452,686.93
Other current liabilities	35,314,045.22	185,251,057.68
Total current liabilities	10,325,191,328.67	7,555,105,928.79
Non-current liabilities:		
Insurance contract liabilities		
Long-term loans	9,373,167,075.87	8,263,408,287.29
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	1,236,645,735.09	268,242,904.73
Long-term payables		
Long-term staff salaries payable	52,406,481.77	43,101,369.90
Provisions	278,942,102.50	259,911,957.28
Deferred income	56,647,985.72	59,446,998.11
Deferred income tax liabilities	1,445,261,689.03	1,329,512,322.18
Other non-current liabilities		
Total non-current liabilities	12,443,071,069.98	10,223,623,839.49
Total liabilities	22,768,262,398.65	17,778,729,768.28

Item	As at 30 September 2023	As at 1 January 2023
Shareholders' equity:		
Share capital	1,641,221,583.00	1,641,221,583.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	23,638,886,437.23	23,296,582,710.76
Less: Treasury shares	199,985,012.86	199,985,012.86
Other comprehensive income	457,364,828.64	-152,703,503.34
Special reserves	26,314,984.03	39,269,440.87
Surplus reserves	831,954,051.59	831,954,051.59
General risk provision		
Undistributed earnings	26,214,123,752.15	23,037,870,846.85
Total equity attributable to shareholders of the Company	52,609,880,623.78	48,494,210,116.87
Minority interests	-946,542,638.41	4,573,552,232.21
Total shareholders' equity	51,663,337,985.37	53,067,762,349.08
Total liabilities and shareholders' equity	74,431,600,384.02	70,846,492,117.36

Legal representative:
Jiang Weiping

Person in charge of
the accounting:
Zou Jun

Head of the accounting
department:
Wen Qian

2. Consolidated income statement for the period from the beginning of this year to the end of the Reporting Period

Unit: RMB

Item	The amount for the current period	The amount for the previous period
I. Total operating income	33,399,166,232.91	24,645,952,756.05
Including: Operating income	33,399,166,232.91	24,645,952,756.05
Interest income		
Earned premiums		
Fees and commission income		
II. Total operating costs	4,961,255,887.40	4,511,683,730.92
Including: Operating costs	4,463,679,002.44	3,565,150,311.56
Interest expenses		
Fees and commission expenses		
Payments to surrenders of insurance contracts		
Net amount of insurance claims expenses		
Net charges of provision for insurance contracts		
Insurance policy dividend expenses		
Reinsurance expenses		
Taxes and surcharges	51,736,528.80	180,336,025.81
Selling and distribution expenses	27,004,992.98	19,301,585.61
General and administrative expenses	490,796,609.31	243,679,919.93
Research and development expenses	20,940,619.89	18,358,218.15
Financial expenses	-92,901,866.02	484,857,669.86
Including: Interest expenses	404,810,187.15	986,024,688.31
Interest income	256,348,199.08	21,417,325.20

Item	The amount for the current period	The amount for the previous period
Add: Other income	145,205,474.18	3,573,008.20
Investment income (“-”for losses)	3,125,236,879.03	5,964,509,634.90
Including: Investment income from associates and joint ventures	3,108,500,049.41	4,013,424,650.62
Gains from derecognition of financial assets measured at amortized cost		
Exchange gains (“-”for losses)		
Net exposure hedging income (“-”for losses)		
Gains from changes in fair value (“-”for losses)		-898,976,067.19
Credit impairment losses (“-”for losses)	59,467,896.28	-29,625,434.30
Asset impairment losses (“-”for losses)	-91,848,769.05	-1,881,017.86
Gains from asset disposals (“-”for losses)	7,812,376.62	
III. Operating profit (“-” for losses)	31,683,784,202.57	25,171,869,148.88
Add: Non-operating income	22,027,428.71	23,932,504.42
Less: Non-operating expenses	7,590,303.12	10,076,734.32
IV. Total profit (“-” for total losses)	31,698,221,328.16	25,185,724,918.98
Less: Income tax expenses	9,327,956,550.71	5,630,952,643.06
V. Net profit (“-” for net losses)	22,370,264,777.45	19,554,772,275.92
(i) Classified by continuing operations		
1. Net profit from continuing operations (“-” for net losses)	22,370,264,777.45	19,554,772,275.92
2. Net profit from discontinued operations (“-”for net losses)		
(ii) Classified by ownership		
1. Shareholders of the Company (“-”for net losses)	8,098,513,756.30	15,981,408,779.72
2. Non-controlling interests	14,271,751,021.15	3,573,363,496.20

Item	The amount for the current period	The amount for the previous period
VI. Other comprehensive income, net of tax	523,091,785.59	1,379,547,197.77
Other comprehensive income (net of tax) attributable to shareholders of the Company	610,068,331.98	1,315,045,405.51
(i) Items that will not be reclassified to profit or loss	-269,411,927.19	-382,834,290.72
1. Changes in amount of remeasurement of defined benefit plan		
2. Other comprehensive income that cannot be transferred into profit and loss under equity method	-12,666,055.15	5,149,813.22
3. Changes in fair value of other equity instrument investments	-256,745,872.04	-387,984,103.94
4. Changes in fair value of enterprise's own credit risk		
5. Others		
(ii) Items that may be reclassified subsequently to profit or loss	879,480,259.17	1,697,879,696.23
1. Other comprehensive income that can be transferred into profit and loss under equity method	24,194,187.28	90,486,329.53
2. Changes in fair value of other debt investments		
3. Amount of financial assets to be reclassified into other comprehensive income		
4. Credit impairment provisions for other debt investments		
5. Cash flow hedge reserve		

Item	The amount for the current period	The amount for the previous period
6. Exchange differences on translation of financial statements of subsidiaries outside of the mainland China	855,286,071.89	1,607,393,366.70
7. Others		
Other comprehensive income (net of tax) attributable to non-controlling interests	-86,976,546.39	64,501,792.26
VII. Total comprehensive income	22,893,356,563.04	20,934,319,473.69
Total comprehensive income attributable to shareholders of the Company	8,708,582,088.28	17,296,454,185.23
Total comprehensive income attributable to non-controlling interests	14,184,774,474.76	3,637,865,288.46
VIII. Earnings per share:		
(i) Basic earnings per share	4.93	10.48
(ii) Diluted earnings per share	4.93	10.48

For the business combination under common control effected in the current period, the net profit recognized by the merged party before the combination was RMB0.00, and the net profit recognized by the merged party in the previous period was RMB0.00.

Legal representative: Jiang Weiping	Person in charge of the accounting: Zou Jun	Head of the accounting department: Wen Qian
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3. Consolidated cash flow statement for the period from the beginning of this year to the end of the Reporting Period

Unit:RMB

Item	Amount for the current period	The amount for the previous period
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	35,421,723,913.00	19,292,952,872.05
Net increase in deposits from customers and inter-banks deposits		
Net increase in loans from PBOC		
Net increase in loans from other financial institutions		
Cash receipts of premium of direct insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from insurance policy holders and investment		
Cash receipts of interest, fees and commission		
Net increase in capital borrowed		
Net increase in funds of repurchase operations		
Net cash received from acting trading securities		
Tax refunds received	461,848,438.12	458,521,918.94
Cash received relating to other operating activities	462,112,799.53	52,515,834.83
Sub-total of cash inflows from operating activities	36,345,685,150.65	19,803,990,625.82
Cash paid for goods and services	6,445,966,438.86	2,749,296,925.84
Net increase in loans and advances to customers		
Net increase in deposits with central bank and inter-banks		
Cash paid for claims of direct insurance contracts		
Net increase in capital lending		
Cash paid for interest, fees and commission		
Cash paid for dividends of insurance policies		

Item	Amount for the current period	The amount for the previous period
Cash paid to and on behalf of employees	774,568,356.73	523,158,553.94
Payments of taxes and surcharges	8,690,114,738.81	4,412,515,399.35
Cash paid relating to other operating activities	399,818,792.80	383,658,022.26
Sub-total of cash outflows from operating activities	16,310,468,327.20	8,068,628,901.39
Net cash flows from operating activities	20,035,216,823.45	11,735,361,724.43
 II. Cash flows from investment activities:		
Cash received from withdrawal of investments		
Cash received from investment income	1,932,031,864.10	1,217,632,220.46
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	26,928.00	5,000.00
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	7,296,073.01	879,099.12
Sub-total of cash inflows from investing activities	1,939,354,865.11	1,218,516,319.58
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,838,740,328.50	1,025,348,149.27
Cash paid for investments		127,357,929.84
Net increase in pledged lending		
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities	2,134,249.34	240,198.72
Sub-total of cash outflows from investing activities	2,840,874,577.84	1,152,946,277.83
Net cash flows from investing activities	-901,519,712.73	65,570,041.75

Item	Amount for the current period	The amount for the previous period
III. Cash flows from financing activities:		
Cash received from investments	391,990,000.00	11,283,711,669.43
Including: Cash received by subsidiaries from investment of non-controlling interests	391,990,000.00	
Cash received relating to other financing activities	7,137,194,632.28	3,810,141,633.50
Cash received relating to other financing activities	11,237,056.61	178,468,314.00
Sub-total of cash inflows from financing activities	7,540,421,688.89	15,272,321,616.93
Cash paid for repayment of borrowings	5,607,348,425.88	18,279,442,097.50
Cash paid for dividends, profits or payments of interests	25,066,084,417.44	4,196,664,875.89
Including: Dividends and profits paid to non-controlling interests by subsidiaries	19,716,172,501.40	3,130,872,567.11
Cash paid relating to other financing activities	97,183,974.62	153,520,592.38
Sub-total of cash outflows from financing activities	30,770,616,817.94	22,629,627,565.77
Net cash flows from financing activities	-23,230,195,129.05	-7,357,305,948.84
IV. Effects of changes in exchange rate on cash and cash equivalents	-498,399,308.34	491,289,171.24
V. Net increase in cash and cash equivalents	-4,594,897,326.67	4,934,914,988.58
Add: Opening balance of cash and cash equivalents	12,289,948,393.30	1,766,095,853.61
VI. Closing balance of cash and cash equivalents	7,695,051,066.63	6,701,010,842.19

(II) The relevant items in the financial statements at the beginning of the year being adjusted as the new accounting standards be implemented for the first time in 2023

Applicable Not applicable

(III) Audit Report

Has the third quarterly report been audited

Yes No

The third quarterly report of the Company has not been audited.

By order of the Board
Tianqi Lithium Corporation
Jiang Weiping
Chairman of the Board and Executive Director

Hong Kong, 26 October 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. Xiang Chuan, Ms. Tang Guoqiong, Ms. Huang Wei and Ms. Wu Changhua as independent non-executive directors.