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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The Board of Directors of Tianqi Lithium Corporation is pleased to announce the audited consolidated results of the Company and its subsidiaries for the year ended 31 December 2023.

Both the Chinese and English versions of this results announcement are available on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the Company's website at www.tianqilithium.com. 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 2023

	Note	**2023**	2022
		RMB'000	*RMB'000*
Revenue	*3(a)*	**40,448,303**	40,168,923
Cost of sales		**(6,100,484)**	(6,014,628)
Gross profit		**34,347,819**	34,154,295
Other net income	*4*	**702,918**	1,286,972
Selling and distribution expenses		**(33,772)**	(29,034)
Administrative expenses		**(641,175)**	(409,372)
Research and development costs		**(30,375)**	(26,703)
Provision for impairment losses		**(650,315)**	(61,895)
Profit from operations		**33,695,100**	34,914,263
Finance costs	*5(a)*	**(550,102)**	(1,082,721)
Share of profits less losses of associates		**3,003,613**	5,895,071
Share of profits of a joint venture		**113,719**	–
Profit before taxation	*5*	**36,262,330**	39,726,613
Income tax	*6(a)*	**(10,618,195)**	(8,813,674)
Profit for the year		**25,644,135**	30,912,939
Attributable to:			
Equity shareholders of the Company		**7,278,343**	23,944,590
Non-controlling interests		**18,365,792**	6,968,349
Profit for the year		**25,644,135**	30,912,939
Earnings per share	*7*		
Basic *(RMB)*		**4.44**	15.41
Diluted *(RMB)*		**4.44**	15.41

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Note	**2023**	2022
		RMB'000	*RMB'000*
Profit for the year		**25,644,135**	30,912,939
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)		**(338,441)**	(880,657)
Share of other comprehensive income of associates		**200,823**	(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		**526,622**	1,747,089
Share of other comprehensive income of associates		**26,438**	29,948
Other comprehensive income for the year		**415,442**	889,136
Total comprehensive income for the year		**26,059,577**	31,802,075
Attributable to:			
Equity shareholders of the Company		**7,535,158**	24,726,926
Non-controlling interests		**18,524,419**	7,075,149
Total comprehensive income for the year		**26,059,577**	31,802,075

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	**2023**	2022
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**21,399,541**	15,619,771
Intangible assets		**155,772**	116,295
Goodwill		**416,101**	416,101
Interests in associates		**28,368,864**	27,170,214
Interests in a joint venture		**245,348**	123,435
Financial assets measured at fair value		**1,583,174**	1,953,152
Deferred tax assets		**3,171,228**	1,162,423
Restricted deposits	*10*	**20,613**	29,522
Other non-current assets		**–**	6,846
		55,360,641	46,597,759
Current assets			
Inventories		**3,150,500**	2,143,943
Trade and other receivables	*9*	**6,484,148**	10,914,838
Financial assets measured at fair value		**14,824**	–
Prepaid tax		**391,048**	469,991
Restricted deposits	*10*	**237,428**	141,538
Cash and cash equivalents	*10*	**9,330,480**	12,289,948
		19,608,428	25,960,258
Current liabilities			
Trade and other payables	*11*	**3,171,282**	3,558,019
Contract liabilities	*8*	**37,448**	351,227
Bank loans and other borrowings	*12*	**936,267**	127,335
Lease liabilities		**153,861**	46,041
Current taxation		**2,361,009**	3,472,485
		6,659,867	7,555,107
Net current assets		**12,948,561**	18,405,151
Total assets less current liabilities		**68,309,202**	65,002,910

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 December 2023

	Note	**2023**	2022
		RMB'000	*RMB'000*
Non-current liabilities			
Bank loans and other borrowings	*12*	**9,544,758**	8,263,408
Deferred income		**56,344**	59,447
Deferred tax liabilities		**1,249,078**	1,350,557
Lease liabilities		**1,122,100**	268,243
Provision		**323,975**	259,912
Other non-current liabilities		**57,344**	43,101
		12,353,599	10,244,668
NET ASSETS		**55,955,603**	54,758,242
CAPITAL AND RESERVES			
Share capital		**1,641,221**	1,641,221
Reserves		**51,567,655**	48,514,552
Total equity attributable to equity shareholders of the Company		**53,208,876**	50,155,773
Non-controlling interests		**2,746,727**	4,602,469
TOTAL EQUITY		**55,955,603**	54,758,242

NOTES:

1 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards 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. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRS Accounting Standards 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 2023 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 IFRS Accounting Standards 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 new and amended IFRS Accounting Standards to these financial statements for the current accounting period:

- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

- Amendments to IAS 1, *Presentation of financial statements* and IFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*

- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

- Amendments to IAS 12, *Income taxes: International tax reform Pillar Two model rules*

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 2023

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

	Effective for accounting periods beginning on or after
Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* ("2020 amendments")	1 January 2024
Amendments to HKAS 1, *Presentation of financial statements:* Non-current liabilities with covenants ("2022 amendments")	1 January 2024
Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*	1 January 2024
Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial Instruments: Disclosures: Supplier finance arrangements*	1 January 2024
Amendments to HKAS 21, *The effects of changes in foreign exchange rates: Lack of exchangeability*	1 January 2025

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:

	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
– Sales of lithium compounds and derivatives	**13,251,824**	24,754,462
– Sales of lithium concentrates	**27,196,479**	15,414,461
	40,448,303	40,168,923

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 (2022: one) of its customers has exceeded 10% of the Group's revenues. Revenues from sales to these customers amounted to approximately RMB26,174,195,000 (2022: RMB12,959,079,000).

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 concentrates. 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, 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 concentrates, 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.

	2023		
	Lithium compounds and derivatives *RMB'000*	**Lithium concentrates** *RMB'000*	**Total** *RMB'000*
Revenue from external customers	**13,251,824**	**27,196,479**	**40,448,303**
Inter-segment revenue	**10,880**	**19,237,679**	**19,248,559**
Reportable segment revenue	**13,262,704**	**46,434,158**	**59,696,862**
Reportable segment profit (adjusted profit before taxation)	**(3,570,395)**	**41,915,363**	**38,344,968**
Share of profits less losses of associates	**74,166**	**–**	**74,166**
Interest income from bank deposits	**198,566**	**126,006**	**324,572**
Finance costs	**(124,348)**	**(352,384)**	**(476,732)**
Depreciation and amortisation for the year	**(315,569)**	**(529,936)**	**(845,505)**
Reportable segment assets	**23,104,702**	**30,372,712**	**53,477,414**
Capital expenditure*	**1,055,750**	**4,905,936**	**5,961,686**
Reportable segment liabilities	**13,342,300**	**13,184,763**	**26,527,063**

	2022		
	Lithium compounds and derivatives *RMB'000*	Lithium concentrates *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

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

(ii) Reconciliations of reportable segment revenue, segment profit, segment assets and liabilities for the years ended 31 December 2023 and 2022 are set out below:

	Reportable segment amounts		Unallocated head office and corporate items		Elimination of inter-segment amounts		Consolidated	
	2023 *RMB'000*	2022 *RMB'000*	**2023** *RMB'000*	2022 *RMB'000*	**2023** *RMB'000*	2022 *RMB'000*	**2023** *RMB'000*	2022 *RMB'000*
Reportable segment revenue	**59,696,862**	52,297,795	**45,189**	–	**(19,293,748)**	(12,128,872)	**40,448,303**	40,168,923
Reportable segment profit (adjusted profit before taxation)	**38,344,968**	41,294,692	**2,907,652**	5,880,120	**(4,990,290)**	(7,448,199)	**36,262,330**	39,726,613
Share of profits less losses of associates	**74,166**	254,184	**2,931,042**	5,640,887	**(1,595)**	–	**3,003,613**	5,895,071
Interest income	**324,572**	44,644	**31,344**	6,468	**–**	–	**355,916**	51,112
Finance cost	**(476,732)**	(361,903)	**(184,736)**	(793,918)	**111,366**	73,100	**(550,102)**	(1,082,721)
Depreciation and amortisation for the year	**(845,505)**	(654,368)	**(2,188)**	(721)	**–**	–	**(847,693)**	(655,089)
Reversal of impairment losses on non-current assets	**–**	37,795	**–**	–	**–**	–	**–**	37,795
Reportable segment assets	**53,477,414**	63,646,795	**36,179,555**	29,657,574	**(14,687,900)**	(20,746,352)	**74,969,069**	72,558,017
Capital expenditure	**5,961,686**	2,217,569	**140,930**	5,100	**(40,800)**	–	**6,061,816**	2,222,669
Reportable segment liabilities	**26,527,063**	29,793,570	**4,281,276**	3,822,118	**(11,794,873)**	(15,815,913)	**19,013,466**	17,799,775

(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.

	2023	2022
	RMB'000	*RMB'000*
Mainland China	**34,284,424**	33,612,173
Overseas	**6,163,879**	6,556,750
	40,448,303	40,168,923

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.

	2023	2022
	RMB'000	*RMB'000*
Mainland China	**3,645,383**	2,883,474
Overseas		
– Australia	**18,890,712**	13,874,747
– Chile	**28,049,531**	26,687,595
	50,585,626	43,445,816

4 Other net income

	2023	2022
	RMB'000	*RMB'000*
Net foreign exchange gains	**188,178**	377,336
Interest income from bank deposits	**355,916**	51,112
Government grants	**174,044**	34,428
Dividend income from equity investments at FVOCI (non-recycling)	**12,523**	2,830
Net realised and unrealised gains on financial assets measured at FVPL	**(19,735)**	–
Net realised and unrealised losses on derivative financial instruments	**–**	(890,422)
Net gains/(losses) on disposal of property, plant and equipment	**5,014**	(1,221)
Gains on deemed disposal of an associate	**–**	1,097,383
Gains on partial disposal of an associate	**–**	625,577
Others	**(13,022)**	(10,051)
	702,918	1,286,972

5 Profit before taxation

Profit before taxation is arrived at after charging:

	2023	2022
	RMB'000	*RMB'000*
(a) Finance costs		
Interest on bank loans and other borrowings	**669,310**	1,076,175
Interest on lease liabilities	**36,085**	10,594
Interest on discounted bills receivable	**31,893**	75,921
Unwind of discount on rehabilitation and closure provision	**9,742**	7,671
Less: interest expense capitalised into construction in progress	**(196,928)**	(87,640)
	550,102	1,082,721

The borrowing costs have been capitalised at a rate of 7.6% per annum (2022: 2.0% per annum).

	2023	2022
	RMB'000	*RMB'000*
(b) Staff costs		
Salaries, wages, bonuses and other benefits	**1,048,582**	710,679
Equity-settled share-based payment expenses	**27,628**	800
Contributions to defined contribution retirement plans	**78,157**	39,044
	1,154,367	750,523

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

Pursuant to the relevant labour 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 labour 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.

	2023 *RMB'000*	*2022* *RMB'000*
(c) Other items		
Amortisation cost of intangible assets[#]	**10,660**	13,233
Depreciation charge		
– owned property, plant and equipment	**734,027**	572,821
– right-of-use assets	**103,006**	69,035
Auditors' remuneration		
– group audit services	**4,140**	4,000
Research and development expenses*	**30,375**	26,703
Cost of inventories[#]	**6,100,484**	6,014,628

* Research and development expenses include RMB21,814,000 (2022: RMB18,878,000) 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 RMB1,290,745,000 (2022: RMB1,044,401,000) 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:

	2023 *RMB'000*	2022 *RMB'000*
Current tax – Mainland China Corporate Income Tax		
Provision for the year	**188,321**	3,427,206
Current tax – Hong Kong and overseas		
Provision for the year	**12,538,034**	6,040,992
Deferred tax		
Origination and reversal of temporary differences	**(2,108,160)**	(654,524)
	10,618,195	8,813,674

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

	2023	2022
	RMB'000	*RMB'000*
Profit before taxation	**36,262,330**	39,726,613
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned (i)	**11,240,365**	11,128,919
Effect of preferential tax rate (ii)	**283,431**	(486,277)
Tax effect of utilisation of tax losses not recognised in prior years	**(95,104)**	(53,565)
Tax effect of unused tax losses not recognised	**112,092**	222,777
Tax effect of non-deductible expenses	**109,807**	345,364
Tax effect of non-taxable income	**(1,066,992)**	(2,407,604)
Over provision in prior periods	**(12,873)**	(11,665)
Withholding tax on the profits of the Group's overseas subsidiaries and investments	**48,679**	77,424
Others	**(1,210)**	(1,699)
Actual tax expense	**10,618,195**	8,813,674

(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:

	2023	2022
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.

(iii) Under the international tax reform, governments are expected to implement a new global minimum tax framework on multinational enterprises (Pillar Two Model Rules). As at the date of this announcement, the Australian and Hong Kong governments have announced to implement the rules for income years commencing on or after 1 January 2024 and 2025 respectively. The Group continues to monitor the local legislation for Hong Kong and Australia and development of Pillar Two Model Rules in other jurisdictions the company and it's subsidiaries operates and assess the potential impact.

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 RMB7,278,343,000 (2022: RMB23,944,590,000) and the weighted average number of 1,639,441,217 ordinary shares (2022: 1,553,951,388 ordinary shares) in issue during the year, calculated as follows:

	Year ended 31 December	
	2023	2022
	'000	'000
Issued ordinary shares at 1 January	**1,639,441**	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	**1,639,441**	1,553,951

(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 RMB7,278,343,000 (2022: RMB23,944,590,000) and the weighted average number of 1,640,503,617 ordinary shares (2022: 1,553,983,405 ordinary shares) in issue assuming conversion of all dilutive potential ordinary shares during the year, calculated as follows:

	Year ended 31 December	
	2023	2022
	'000	'000
Weighted average number of ordinary shares at 31 December	**1,639,441**	1,553,951
Effect of the restricted A shares incentive scheme	**1,062**	32
Weighted average number of ordinary shares at 31 December	**1,640,503**	1,553,983

8 Contract liabilities

	2023	2022
	RMB'000	*RMB'000*
Contract liabilities		
– Receipts in advance from sales of lithium products	**37,448**	351,227

Movements in contract liabilities

	2023	2022
	RMB'000	*RMB'000*
Balance at 1 January	**351,227**	164,475
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	**(350,490)**	(164,363)
Increase in contract liabilities as a result of receipts in advance	**36,711**	351,115
Balance at 31 December	**37,448**	351,227

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

	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**4,344,664**	7,487,291
Less: allowance for doubtful debts	**(28,476)**	(110,017)
	4,316,188	7,377,274
Bills receivable	**65,805**	515,944
Other receivables	**212,783**	101,827
Less: allowance for doubtful debts	**(14,490)**	(12,490)
	198,293	89,337
Deposits and prepayments	**85,100**	77,588
Value added tax recoverable	**1,626,768**	213,376
Goods and services tax recoverable	**111,297**	46,031
Bank acceptance notes, carried at FVOCI	**80,697**	2,595,288
	1,903,862	2,932,283
	6,484,148	10,914,838

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:

	2023	2022
	RMB'000	*RMB'000*
Within 1 year	**4,381,993**	7,893,218

Trade receivables 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

Cash and cash equivalents comprise:

	2023	2022
	RMB'000	*RMB'000*
Cash and bank balance	**9,588,521**	12,461,008
Less:		
Non-current restricted deposits	**(20,613)**	(29,522)
Current restricted deposits	**(237,428)**	(141,538)
	9,330,480	12,289,948

11 Trade and other payables

	2023	2022
	RMB'000	*RMB'000*
Bills payable	**208,982**	185,881
Trade creditors	**1,364,827**	2,154,852
Accrued payroll and benefits	**198,078**	147,578
Other taxes payable	**37,503**	540,540
Other payables	**1,361,892**	529,168
	3,171,282	3,558,019

As of 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:

	2023	2022
	RMB'000	*RMB'000*
Within 1 year	**1,570,651**	2,339,523
1 to 2 years	**1,714**	386
2 to 3 years	**624**	69
More than 3 years	**820**	755
	1,573,809	2,340,733

12 Bank loans and other borrowings

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

The Group	2023 *RMB'000*	2022 *RMB'000*
Current		
Secured bank loans (i)	**9,122**	58,923
Unsecured bank loans (i)	**328,251**	40,000
Current portion of non-current		
Secured bank loans (i)	**429,650**	27,037
Unsecured bank loans (i)	**169,244**	–
Secured other borrowings from third-parties (ii)	**–**	1,375
	936,267	127,335
Non-current		
Secured bank loans (i)	**8,973,158**	7,690,445
Unsecured bank loans(i)	**1,170,494**	–
Secured other borrowings from third-parties (ii)	**–**	601,375
	10,143,652	8,291,820
Less:		
– Current portion of non-current secured bank loans (i)	**(429,650)**	(27,037)
– Current portion of non-current unsecured bank loans (i)	**(169,244)**	–
– Current portion of secured other borrowings from third-parties (ii)	**–**	(1,375)
	(598,894)	(28,412)
	9,544,758	8,263,408

(i) Bank loans

The effective interest rates of the Group's bank loans ranged from 0.4% to 7.7% per annum for the year ended 31 December 2023 (2022: 0.8% to 7.8% 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:

	2023 *RMB'000*	2022 *RMB'000*
Mainland China subsidiaries		
Bills receivables	**9,122**	58,923
Overseas subsidiaries		
All assets of Windfield	**21,433,821**	20,517,736
Restricted bank deposits	**53,431**	18,156
100% equity interests of TLAI1	**23,809,761**	23,412,747
Investments in SQM	**10,541,028**	3,776,593
	55,847,163	47,784,155

At 31 December 2023, the bank loans and other borrowings were repayable as follows:

	2023	2022
	RMB'000	*RMB'000*
Bank loans		
Within 1 year	**936,267**	125,960
After 1 year but within 2 years	**2,951,171**	145,768
After 2 years but within 5 years	**6,593,587**	7,517,640
	10,481,025	7,789,368
Other borrowings from a third-party		
Within 1 year or on demand	**–**	1,375
After 1 year but within 2 years	**–**	–
After 2 years but within 5 years	**–**	600,000
	–	601,375
	10,481,025	8,390,743

13 Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the years below

	2023	2022
	RMB'000	*RMB'000*
Final dividend proposed after the end of the Reporting Period of RMB1.35 per ordinary share (2022: RMB3.00)	**2,215,017**	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) Dividend of RMB4,922,261,000 was approved and paid to equity shareholders of the Company attribute to the previous financial year for the year ended 31 December 2023 (2022: nil).

14 Commitments

Capital commitments outstanding at 31 December 2023 not provided for in the financial statements were as follows:

	2023	2022
	RMB'000	*RMB'000*
Contracted for	**1,850,572**	1,477,053

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.

INDUSTRY AND MARKET ANALYSIS

Lithium is the lightest metal with the largest electrochemical equivalent in the world and has the characteristics of high oxygen density. It constitutes 0.0065% of the Earth's crust and ranks 27th in abundance of element. It holds strategic importance in the energy sector. According to data from the United States Geological Survey ("**USGS**"), the global demand for lithium resources is undergoing structural changes, and the proportion of battery industry is gradually increasing. In 2015, lithium was mainly used in traditional industries such as glass and ceramics, and the demand from battery industry accounted for only 31%. However, with major countries or regions around the world actively promoting the development of the new energy industry and providing abundant policy support and financial subsidies, the global sales of new energy vehicles saw a rapid growth. This led to the increasing demand for power batteries, which in turn triggered a structural adjustment in the lithium demand, with lithium battery industry becoming the main driving force for lithium demand growth. In 2023, the demand from the battery industry further increased to 87%.

(I) Policy Environment

Due to the explosive growth of the global lithium battery industry, in recent years, major lithium battery markets around the world such as China, Europe and the United States all issued strategic plans regarding the sustainable development of the battery industry and introduced relevant supporting policies and regulations, so as to provide guidance and protection to the sustainable development of their domestic and local industries.

Domestic Policy Environment

— *Non-ferrous Metal Industry*

In August 2023, seven government authorities including the Ministry of Industry and Information Technology of the PRC jointly issued the Work Plan for Stabilizing the Growth of the Non-ferrous Metals Industry (《有色金屬行業穩增長工作方案》), according to which, the PRC plans to achieve positive progress in promoting the development of domestic resources such as lithium and copper, formulate an overall plan of resources development and industrial development for lithium and other key resources, accelerate the building of an underlying data platform for the strategic mineral resources industry, promote the research and trial run of industrialization of core technologies such as the efficient lithium extraction and magnesium extraction from salt lakes and the lepidolite tailings retreatment, support the R&D of high specific energy cathode materials, support the leading enterprises in industry chains of major non-ferrous metals such as copper, lithium, nickel, tungsten, antimony, and increase the import of raw materials such as lithium concentrates and cobalt intermediate smelting products. The issuance of the plan has clarified the direction and provided guidance for the development of the non-ferrous metal industry in the past two years and promoted the effective quality improvement and reasonable quantity growth of the industry.

— *Lithium Battery Industry*

On 31 December 2021, four government authorities including the Ministry of Finance issued the Notice on Financial Subsidy Policies for Promoting New Energy Vehicles in 2022 (the "**Notice**"). According to the Notice, subsidies for promoting new energy vehicles would be gradually reduced. Besides, to maintain the sound development momentum of the new energy vehicle industry and after considering factors such as the development plan, market sales trend and the smooth transition of enterprises of the new energy vehicle industry, it is decided that the subsidy policy for the purchase of new energy vehicles in 2022 (the "**National Subsidies**") would be terminated on 31 December 2022, and subsidies will no longer be granted to vehicles where car licenses are issued after 31 December 2022. Since then, the 13-years National Subsidies policies for new energy vehicles in the PRC came to an end.

In 2023, policies continued to guide the direction of consumption, but there was a shift in such policies' focus. In 2023, after the termination of the National Subsidies, a number of policy initiatives such as granting purchase subsidies and consumer vouchers have been enrolled by local governments to promote local new energy vehicle consumption. In addition, as the sales volume of new energy vehicles kept growing, the demand for electricity consumption and charging also grew rapidly. The national and local governments further proposed the targets about the number of newly-built charging piles or the vehicle-to-pile ratio, and governments' supporting subsidies also shifted away from constructing charging piles only to improving a high-quality and innovative charging and battery swap infrastructure system for charging pile use and operation. At the same time, on 2 June 2023, the State Council executive meeting required the implementation of the purchase tax exemption and reduction policy for new energy vehicles to be extended and such policy to be optimized. Particularly, the meeting decided to extend the implementation to the end of 2027, with the exemption and reduction measures phased out year by year, and set a limit on the exemption and reduction of purchase tax for new energy passenger vehicles.

On the other hand, during the period from the 13th Five-Year Plan to the 14th Five-Year Plan, the PRC government proposed the concept of "energy storage". In the 14th Five-Year Plan for National Economic and Social Development and the Outline of Visions for 2035 of the People's Republic of China (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》) announced in 2021, it is proposed that for hydrogen, energy storage and other areas that involve cutting-edge technologies and industrial change, the country would put forward and implement plans to incubate and accelerate the development of such future industries, and plan the layout for industries with promising future. In 2023, several supportive policies for the energy storage industry were released, which promoted the development of new energy storage industry. Under the background of carbon neutrality and carbon peaking, various provinces have successively issued their own 14th Five-Year Plan to accelerate the large-scale application of new energy storage technologies, aiming to solve the problem of new energy consumption and promote the rapid development of the energy storage industry. According to preliminary statistics, as of December 2023, a total of 23 provinces in China have issued plans for the installed capacity of new energy storage during the "14th Five-Year Plan" period with a target installed capacity totaling to over 70GW, which played a significant role in promoting the large-scale application of new energy storage technologies.

The policy directions in 2023 indicate that the policy support provided to lithium battery industry by the PRC government mainly focuses on the application of downstream power batteries and energy storage batteries. Both national and local governments have issued a series of policies to guide and support the healthy development of new energy vehicle industry chain, electrochemical energy storage and battery materials technology.

Overseas Policy Environment

— *The United States*

On 1 January 2023, the Inflation Reduction Act of 2022 (the "**IRA**") of the United States came into effect, according to which, the United States would invest approximately US$370 billion in climate and clean energy and provide U.S. consumers with tax credits up to US$7,500 for purchasing new energy vehicles. On 31 March 2023, the U.S. Department of the Treasury and Internal Revenue Service released proposed guidance on the clean vehicle provisions of the IRA, which provided detailed guidance on critical minerals percentage and battery components percentage and clearly stated the timeframe of the policy implementation. On 18 April 2023, the guidance on critical minerals and battery components officially came into effect. According to the guidance, eligible vehicles put on the market on or after 18 April 2023 are eligible for up to a US$7,500 tax credit. To be eligible for a full credit, clean vehicles must meet sourcing requirements for both the critical minerals and battery components contained in the vehicle. Vehicles that meet one of the two requirements are eligible for a US$3,750 credit only. Vehicles fail to meet any of the requirements are ineligible for credit.

— *Europe*

On 13 November 2023, the European Commission and the European Parliament reached a deal on the Critical Raw Materials Act, which formulated an updated list of critical and strategic materials. The Act establishes a list of 34 critical raw materials, mainly including lithium, rare earth, nickel, cobalt, and silicon. It also sets targets to increase the local contribution of these critical raw material consumption (10% for the extraction; 40% for the processing and an increase to at least 25% for the recycling) by 2030. For those included in the list of strategic materials, not more than 65% of the consumption shall come from a single third country. The Act also requires relevant key companies to regularly issue a risk assessment report on supply chain of strategic raw materials, mapping where the materials come from and potential supply risks. On 17 August 2023, the New Batteries Regulation adopted by the European Union (EU) entered into force. The Regulation stipulates that from 2027, the export of power batteries to Europe should hold a compliant "battery passport" that records the battery manufacturer, material composition, carbon footprint, supply chain and other information. The Regulation applies to all types of batteries placed on the EU market, regulates the entire life cycle of batteries – from production to reuse and recycling – and ensures that they are safe, sustainable and competitive. The Regulation also sets specific targets of recovery and recycling for different battery types. The Regulation covers provisions on carbon footprint rules, carbon footprint accounting, supply chain management, audits by EU-designated accredited bodies, etc. Only electric vehicle batteries and rechargeable industrial batteries accompanied by a carbon footprint declaration and label as well as digital battery passport are allowed to enter the EU market.

(II) Supply of Lithium Resources and Lithium Products

1. Supply of Lithium Resources

As the global energy transition deepens and more countries treat lithium resources as a national strategic resource, many countries and regions increase their efforts in the exploration and development of lithium resources. According to the latest data from the USGS, the current global measured and indicated lithium resources reached 105 million tons of contained lithium, representing an increase of 7% as compared with the figures released in January 2023, among which the aggregate measured and indicated lithium resources from Bolivia, Argentina, the United States, Chile, Australia and China contributed over 80% of the global total volume. The global lithium reserves reached 28 million tons of contained lithium, representing an increase of 8% as compared with that in 2022, which mainly located in Chile, Australia, Argentina, China and the United States, accounting for over 80% of the total.

In 2023, the global supply of lithium resources maintained a rapid growth. According to the statistics of Fastmarkets in the 4th quarter of 2023, the 2023 total supply of global lithium resources from projects under production was approximately 960 thousand tons LCE. The supply sources mainly included lithium salt lakes, spodumene, petalite and lepidolite, among which the supply amount from salt lakes and spodumene was 378 thousand tons LCE and 479 thousand tons LCE, and accounted for 39% and 50% of global supply, respectively, with the sources of supply and ratios among sources generally remained stable.

Up to now, spodumene remains the major source of lithium resources supply. The Greenbushes spodumene mine project in Australia controlled by the Company, is the largest lithium mine project under production with the highest grade in the world at present. According to the latest statistics of Fastmarkets in the 4th quarter of 2023, the 2023 supply of the Greenbushes spodumene mine project accounted for 16% of the global total volume, which marked it the leading hard rock lithium mine project in terms of production output in the world. Currently, the spodumene mine project at Greenbushes has a total of four lithium concentrates processing plants with annual capacity of 1.62 million tons of lithium concentrates. It also has a chemical-grade lithium concentrates processing plant under construction, which is expected to be completed and put into production in the middle of 2025. Upon completion of the project, it is expected that the total production capacity of the Greenbushes spodumene mine project will reach 2.14 million tons per year.

2. Supply of Lithium Products

Driven by the increasing demand from the new energy vehicle industry and the energy storage industry, the global supply of lithium carbonate sustained a rapid growth momentum in 2023. According to the statistics of Fastmarkets in the 4th quarter of 2023, the overall global supply of lithium compounds in 2023 was approximately 860 thousand tons LCE, representing an increase of 26% year on year, among which, the supply of lithium compounds from China accounted for 68% of the total global supply, the supply of the Lithium Triangle in South America accounted for 28%, and other regions such United States or Australia in aggregate accounted for the remaining 4%. At the same time, as more countries and regions raise the importance of lithium resources to the national strategic level, many countries and regions are accelerating the construction of local lithium compounds production bases to provide raw materials for local power battery plants. Therefore, it is expected that the sources of lithium compounds will be more diversified, and the total amount of lithium compounds produced outside China will continue to increase.

China currently remains a major supply source of lithium compounds. According to the statistics of the lithium branch of China Non-Ferrous Metals Industry Association, in 2023, the total output of lithium compounds in China only accounted for 47% of the total established production capacity of basic lithium compounds nationwide. With the rapid commissioning and capacity release of new projects, the production output of lithium compounds in China is expected to keep increasing in the future. The Company has been focusing on the processing sector of lithium chemical products for years, and it has five established production bases for lithium chemical products at present, which are located in Shehong, Sichuan Province, Anju, Sichuan Province, Tongliang, Chongqing and Zhangjiagang, Jiangsu Province in China as well as Kwinana, Australia (Train I), respectively, the total annual capacity of which amounting to 88.8 thousand tons of lithium compounds. Meanwhile, the Company plans to develop battery-grade lithium hydroxide projects with annual capacity of 30 thousand tons and 24 thousand tons in Zhangjiagang and Kwinana, Australia (Train II) respectively, and the Company is also conducting the feasibility study for developing a 1-thousand-tons lithium metal and ancillary raw materials project in Chongqing. It is expected that upon the completion of the above projects, the total production capacity of the Company's lithium compounds will reach 143.8 thousand tons, further consolidating the Company's leading position in the lithium chemical industry.

(III) Lithium Product Market Analysis

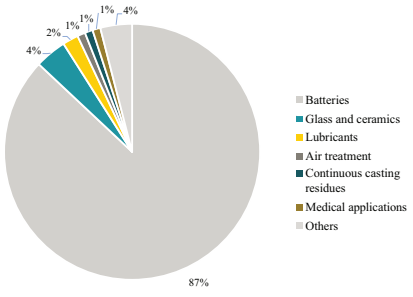
1. Application of lithium products

Lithium is a key raw material at the upstream sector of the lithium-ion battery end-product industry chain, being one of the essential metal materials in production of lithium batteries. Lithium resources are processed into lithium chemical products such as lithium carbonate, lithium hydroxide and lithium chloride, which are widely used in power batteries, consumer electronics, new energy storage batteries and other traditional applications. Lithium batteries made from lithium have the characteristics of light weight, high energy density and good cycle performance.

According to the data of the Mineral Commodity Summaries 2024 (《礦產品概要 2024》) issued by the USGS, the demand for lithium-ion batteries has increased significantly due to the wide application of rechargeable lithium batteries in electric vehicles, portable electronic devices, power tools and electric energy storage. In 2023, 87% of global lithium resources was mainly used in batteries, 4% in ceramics and glass, 2% in lubricants, 1% in air treatment, 1% in continuous casting residues, 1% in medical applications and 4% in others. The four core materials of lithium-ion batteries include cathodes, anodes, electrolyte and separators, and other auxiliary materials mainly include composite copper foil and structural components.

Lithium is mainly used in cathodes and electrolyte of battery, and is one of the key materials that determine the performance of lithium batteries as it directly affects the core indicators of power batteries, such as energy density, safety, cycle life and low-temperature performance. Currently, commercial cathode materials commonly used are mainly divided into ternary materials, lithium iron phosphate, Lithium manganate and lithium cobalt oxide, among which ternary materials and lithium iron phosphate are two mainstream routes in parallel. With the continuous advancement of lithium battery technology and further expansion of the market, lithium is playing an increasingly prominent role in improving the performance of batteries, and its market demand is expected to continue to grow.

Global application scenarios of lithium resources in 2023



（Source：USGS）

Applications in cathode materials

Lithium iron phosphate	• **Features**: good thermal stability and high cycle life, but relatively poor performance such as discharge plateau and compaction density • **Main applications**: passenger cars and commercial vehicles with low-to-medium endurance requirements, and energy storage
Ternary materials	• **Features**: better discharge plateau, energy density and compaction density than lithium iron phosphate, but relatively poor high temperature performance • **Main applications**: being used in mid-to-high-end new energy vehicles with high endurance mileage requirements and replacing part of the market share of lithium cobalt oxide in the field of consumer electronics
Lithium manganate	• **Features**: low cost and high safety, but relatively poor energy density and cycle life • **Main applications**: lowend electric vehicles with low endurance mileage such as light-duty power vehicles and logistics vehicles
Lithium cobalt oxide	• **Features**: excellent performance in energy density, but relatively poor safety and cycle life • **Main applications**: portable devices in consumer electronics

(Data source: compiled by the Company based on public information)

2. Demand of Lithium Products

According to the research and analysis of Guotai Junan Securities, the global demand growth of the lithium industry mainly comes from new energy vehicle industry and energy storage industry. Although the growth rate of the new energy vehicle industry slowed down in 2023, its large base figure still made it the major driver of lithium demand growth. Also, the current demand for lithium resources in the energy storage industry is relatively small, but it is expected to achieve rapid growth in the next few years and become an important force in driving the growth of lithium demand.

The Whitepaper on the Development of the Cathode Materials for Lithium-ion Battery Industry in China (2024) (《中國鋰離子電池正極材料行業發展白皮書(2024年)) jointly released by EV Tank, a research institute, and China YiWei Institute of Economics reveals that in 2023, the global shipment of lithium-ion battery amounted to 1,202.6GWh, representing a year-on-year increase of 25.60%. In terms of shipment structure, in 2023, the global shipment of automobile power batteries amounted to 865.20GWh, marking a year-on-year increase of 26.50%; the shipment of energy storage batteries was 224.20GWh, up 40.70% year-on-year; and the shipment of small batteries was 113.20GWh, representing a year-on-year decrease of 0.90%. The shipment of lithium-ion battery in China reached 887.40GWh, representing a year-on-year increase of 34.30%, accounting for 73.80% of the global shipment of lithium-ion battery. Going forward, EV Tank expected the global shipment of lithium-ion battery to reach 1,926.00GWh and 5,004.30GWh in 2025 and 2030, respectively.

(1) Electric Vehicles

In the context of vigorously promoting energy transition and carbon neutrality globally, in recent years, global electric vehicles have entered a stage of rapid development. The rapid development of the electric vehicle industry has greatly stimulated the demand for lithium-ion power batteries. According to preliminary statistics of Changjiang Securities Research Institute (長江證券研究院), in 2023, the global sales volume of new energy vehicles reached 13.71 million units, representing a year-on-year increase of approximately 32%. Due to the high base figure, its sales results remained strong in absolute terms despite the slow down of growth rate. In terms of penetration, the global penetration rate of new energy vehicles was 20% in December 2023, representing a year-on-year increase of 3 percentage points and a month-on-month increase of 1 percentage point.

The PRC market: In 2023, new energy vehicles in China continued to record remarkable production and sales performance, and the penetration rate of new energy vehicles continued to rise. According to the statistics of China Association of Automobile Manufacturers ("**CAAM**"), in 2023, under the support of policy and market, new energy vehicles in China (including pure electric vehicles, plug-in hybrid electric vehicles and fuel cell vehicles) continued to grow rapidly. The production volume and sales volume of new energy vehicles were 9.587 million units and 9.495 million units, respectively, representing a year-on-year increase of 35.8% and 37.9%, respectively. The penetration rate amounted to 31.6%, 5.9 percentage points higher than the same period in 2022. In 2023, the domestic sales volume of new energy vehicles was 8.292 million units, representing a year-on-year increase of 33.5%; the export volume of new energy vehicles was 1.203 million units, representing a year-on-year increase of 77.6%. The export of new energy vehicles recorded sustained growth and showed potential to become an important driving force for the development of China's new energy vehicle industry.

The European market: In 2023, a number of European countries encountered pressure on sales performance of new energy vehicles as their base figures of sales volume for the corresponding period of 2022 were high. However, markets like Italy and Spain continued their growth trajectory of new energy vehicles sales in 2023 as these markets had low penetration rate and wide market space for new energy vehicles. According to the research data of Haitong International, in 2023, the cumulative sales of electric vehicles in Europe was approximately 3 million units, representing a year-on-year increase of 17%.

The U.S. market: In 2023, the market of new energy vehicles in the U.S. saw rapid growth under the stimulus of the IRA. According to data of Changjiang Securities Research Institute (長江證券研究所), in 2023, the sales volume of new energy vehicles was 1.465 million units, representing a year-on-year increase of 46.9%, and the penetration rate was 9.1%, representing a year-on-year increase of 2.1%. Among which, sales volume of pure electric vehicles was 1.184 million units, representing a year-on-year increase of 46.2%, while the sales volume of plug-in hybrid electric vehicles was 281 thousand units, representing a year-on-year increase of 49.9%.

Besides, according to data from the China Automotive Battery Innovation Alliance, in 2023, the accumulated production of power batteries and energy storage batteries in total were 778.1GWh, representing a year-on-year increase of 42.5%. Among which, accumulated production of ternary batteries was 245.1GWh, accounting for 32.1% of total production volume and representing a year-on-year increase of 15.3%; accumulated production of lithium iron phosphate batteries was 531.4GWh, accounting for 67.5% of total production volume and representing a year-on-year increase of 59.9%.

Based on the performance of the global new energy vehicle market in 2023, the Research Institute of Economics and Finance of Industrial Securities predicts that with the simultaneous development of the three major new energy vehicle markets in China, Europe and the United States, the global sales of new energy vehicle are expected to exceed 17 million units in 2024 and over 21 million units in 2025. At the same time, in the context of the high prosperity of the new energy vehicle markets, the demand for power battery installed capacity will increase simultaneously. It is expected that the global power battery demand will reach 930GWh in 2024, and the global power battery installed capacity is expected to exceed 1,100GWh by 2025 and enter the TWh Era. Looking to the future, as the market gradually matures, the development of new energy vehicle industry may shift from scale expansion to steady growth with an emphasis on quality, which will drive the continuous growth of lithium resources demand.

(2) Energy Storage Battery

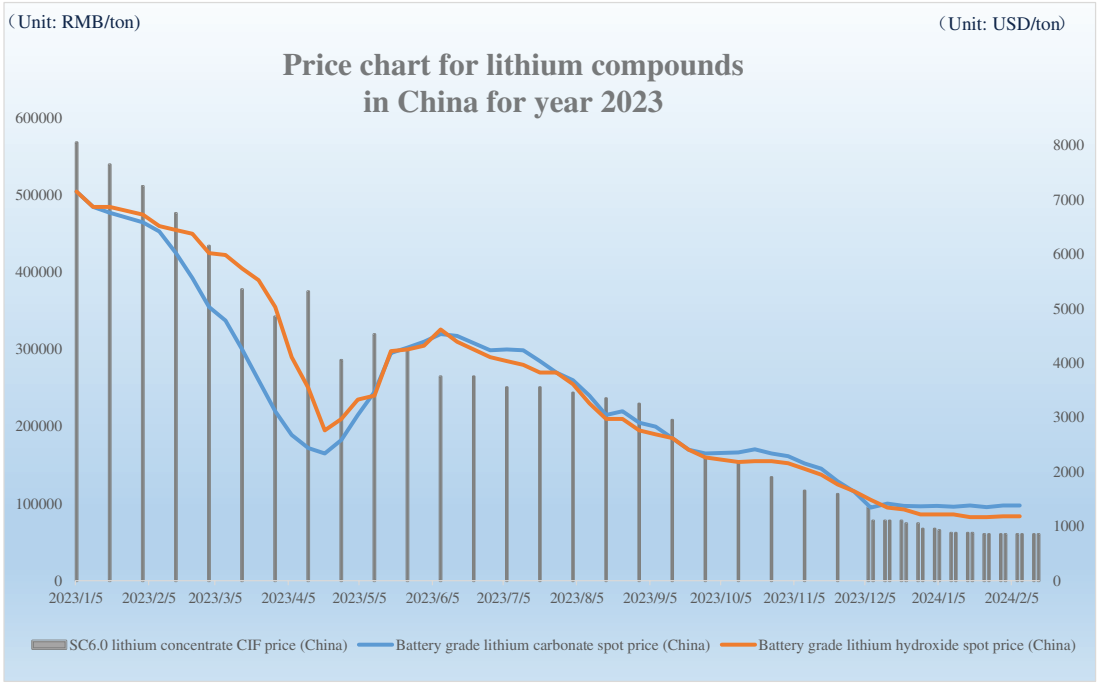
With the increasing global concern over carbon emissions and the strengthening of carbon neutrality strategies, the traditional fossil fuel energy system is rapidly transitioning to a structure centered on clean and low-carbon renewable energy. Against this backdrop, the energy storage sector shows a strong growth momentum. Energy storage demand may come from power station, power grid, power users, base stations and data centers. According to the distribution of energy storage demand of countries in 2023, power station is the major demand side of energy storage in China and the United States, accounting for 59% and 80%, respectively, while power users is the major demand side of energy storage in Europe, accounting for 56%.

The data released by the Power Battery Application Branch of China Industrial Association of Power Sources (the "**Power Battery Application Branch**") shows that the global shipment of energy storage battery in 2023 was 173GWh (based on data of end markets), representing a year-on-year increase of 60%, among which the shipment of energy storage battery in China was approximately 159GWh and accounted for 92% of the global shipment. According to the forecast of Gaogong Industry Research Institute (GGII), both energy storage battery shipments domestically and internationally will maintain a growth trend in 2024, the shipment of energy storage battery in China is expected to exceed 200GWh, and the annual growth rate may exceed 25%. In terms of installed capacity, the data of the Power Battery Application Branch shows that the global newly installed capacity of new energy storage in 2023 was approximately 35GW, representing a substantial year-on-year increase of 72%, among which the newly installed capacity of lithium battery energy storage projects was approximately 34GW. As of the end of 2023, the global cumulative installed capacity of new energy storage was approximately 81GW. It is estimated that the global newly installed capacity will exceed 50GWh in 2024, representing a potential growth rate of over 50%.

3. Market Condition for Lithium Products

(1) Price Movement of Lithium Compounds

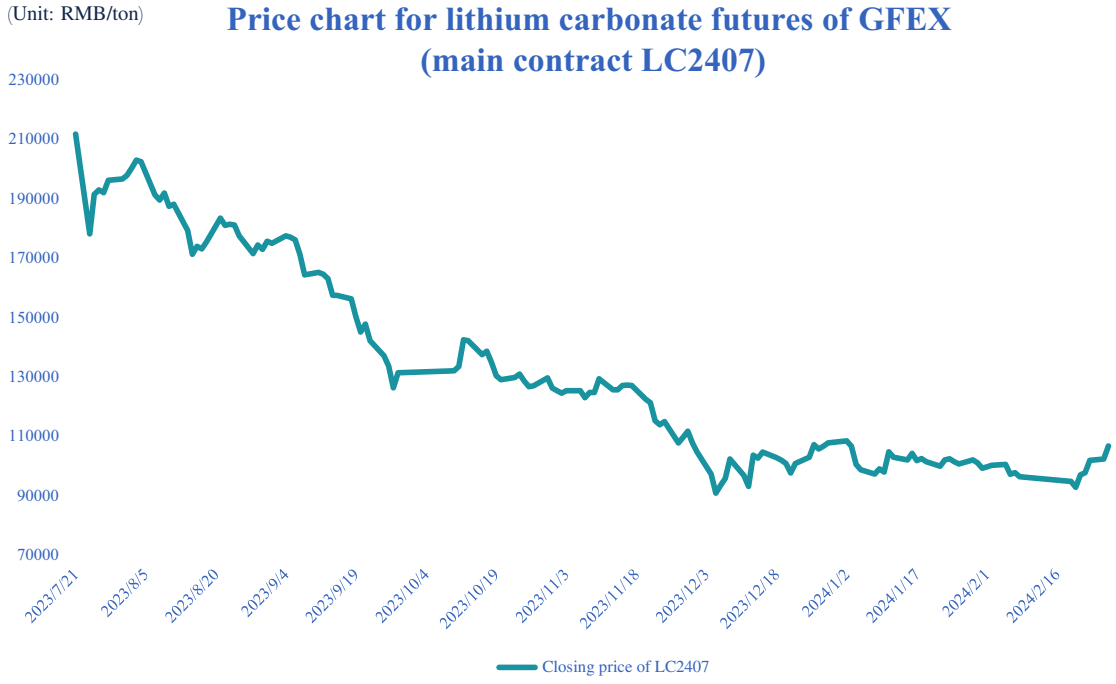
The price of lithium compounds reached the peak in December 2022 but declined from early 2023 due to the mismatch of upstream and downstream production expansion cycles of the industry. A large amount of capital flowing into the upstream sector results in a gradual release of new supply. Meanwhile, the production and sales of downstream ends were affected by the reduction in subsidies for new energy vehicles and changes in consumer psychology. With the stock up in various links in the downstream sector and the growth of demand for new energy vehicles falling short of expectations, there was a reverse of supply and demand balance of lithium compounds and a downward trend in lithium price. From the early 2023 to April 2023, the average price of lithium carbonate dropped from approximately RMB500 thousand/ton to around RMB180 thousand/ton. Subsequently, driven by production reduction of some companies and the expectation of seasonal increase in end consumption, the production scheduling and inventory stocking in the downstream sector improved, which led to a short-term rebound in lithium carbonate price to around RMB300 thousand/ton. In July 2023, upon the launch of lithium carbonate futures, the market was pessimistic that the follow-up increase in supply would exceed the growth of demand, which, coupled with weak demand under the updated pricing model of lithium ores, jointly led to the continuous fall of lithium compounds price. Though the price of lithium compounds experienced a rapid fall in 2023 and the current price is at a relatively low range as compared to historical prices, the long-term demand for lithium compounds remains strong as global concern over carbon emissions is growing and carbon neutral strategies are gaining importance in the long run. The price movement of lithium compounds in 2023 is shown below:



(Source: Fastmarkets)

(2) Price Movement of Lithium Carbonate Futures

On 21 July 2023, the Guangzhou Futures Exchange ("**GFEX**") officially launched lithium carbonate futures. Following the launch, the market quickly formed a consensus expectation of an oversupply in the fundamentals. In the fourth quarter of 2023, the continuous decrease of orders further strengthened the market's pessimistic sentiment, and the adjustment of lithium ore pricing mechanism further exerted more downward pressure on lithium carbonate price. The price movement of main lithium carbonate futures contract of GFEX since listing is shown below:



(Source: Guangzhou Futures Exchange)

BUSINESS REVIEW

The Company is a new energy material enterprise with lithium at its core. It is a dual-listed company on the Shenzhen Stock Exchange (002466.SZ) and the Hong Kong Stock Exchange (9696.HK). With the commitment to realizing its long-term development strategy of "consolidating the upstream industrial advantages, enhancing business development in the midstream, and expanding to downstream sectors", and with the responsibility concept of "changing the world with lithium", the Company has been actively deploying global lithium battery material resources and processing capacity. The Company's business covers key stages of the lithium industry chain, including the development of hard rock lithium mineral resources, the processing and sales of lithium concentrates, and the production and sales of lithium chemical products. The Company 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.

During the Reporting Period, after a series of mining and processing technics, the Company continued to transport Greenbushes high-quality spodumene concentrates to the Company's five domestic and overseas lithium compound production bases for further processing into lithium products and then for sale. The spodumene project at Greenbushes under Windfield was controlled by TLEA, the Company's investment platform in Australia. Benefiting from the vertically integrated operation model, the Company has achieved complete self-sufficiency in raw lithium materials and lower lithium product processing costs. According to the latest data from Fastmarkets in the fourth quarter of 2023, the global cash cost curve for lithium carbonate production showed a ladder-style growth trend, while the Company processed the spodumene concentrates from Greenbushes through the vertically integrated operation model which resulted in average production cost of lithium carbonate at the lower end of the global cost curve for lithium extraction from hard rock lithium mines. At the same time, in order to increase the Company's market share of lithium chemical products, the Company continued to transform some surplus chemical-grade lithium concentrates into lithium compounds for external sales by outsourcing processing.

During the Reporting Period, the revenue of the Group increased from RMB40,168,923 thousand in 2022 to RMB40,448,303 thousand in 2023, representing an increase of 0.70%. Gross profit of the Group increased from RMB34,154,295 thousand to RMB34,347,819 thousand, representing an increase of 0.57%. The profit for the year attributable to equity shareholders of the Company decreased from RMB23,944,590 thousand in 2022 to RMB7,278,343 thousand in 2023, representing a decrease of 69.60%. Total assets of the Group increased from RMB72,558,017 thousand in 2022 to RMB74,969,069 thousand in 2023, representing an increase of 3.32%. Net assets increased from RMB54,758,242 thousand in 2022 to RMB55,955,603 thousand in 2023, representing an increase of 2.19%.

(I) Upstream Lithium Resources Layout

The Company strategically deployed on the world's highest quality hard rock and salt lake lithium resources. With the spodumene mine at Greenbushes owned by Talison, a wholly-owned subsidiary of Windfield, a controlling subsidiary in Australia, and the Yajiang Cuola Mine in Sichuan, China, which is controlled by the Company, as resource bases, and through investing part of the equity interest in SQM and Shigatse Zabuye, the Company further expanded its layout of high-quality salt lake lithium resources both domestically and internationally. With its high-quality and multi-dimensional lithium resources layout, the Company has now realized 100% self-sufficiency in lithium resources. As at the date of this announcement, the Company's key global lithium resources are as follows:

Global Distribution of the Company's Key Lithium Resources

Lithium resources project				
	Greenbushes mine	**Cuola mine**	**Atacama salt lake**	**Zabuye salt lake**
Category of resources	Spodumene mine	Spodumene mine	Lithium salt lake	Lithium salt lake
Geographic location	Australia	Sichuan, China	Chile	Tibet, China
Total resources	1,600 10,000 tons of LCE	63.20 10,000 tons of LCE	1,080 10,000 tons of contained metallic lithium	179 10,000 tons of LCE
Operation status	Under production	Preparation for construction	Under production	Under production

Notes:
1. The resource data of Atacama Salt Lake is the total resource amount of lithium resources that can be extracted by SQM before 2030. This data comes from the 2022 Annual Report disclosed by SQM, the Company's investee;
2. The resource data of Zabuye Salt Lake comes from the 2022 Social Responsibility Report & ESG Report disclosed by its controlling shareholder, Tibet Mineral Development Co., Ltd.

1. Greenbushes mine in Australia

Wood Mackenzie's data for the third quarter of 2023 shows that the Greenbush lithium mine operated by the Company's subsidiary, Talison, is currently the world's largest lithium mining project under production in terms of both capacity and output. In 2022, Greenbush's lithium concentrates production capacity accounted for approximately 30% of the global total production, while its output accounted for around 40% of the global total production. Based on the 2022 production output, the Company ranks as the fifth largest producer for lithium chemical products globally and the second largest in Asia, with its lithium chemical products output accounting for approximately 5% of the global total production.

The Company indirectly obtained the control over the spodumene mine at Greenbushes in Talison, the largest lithium mine project under production with the highest grade in the world, through the acquisition in May 2014. Currently, the project is under mining stage. During the Reporting Period, the total mined spodumene at Greenbushes reached 3.49 million tons and the average grade of ores was 3.18%, including technical grade ores and chemical grade ores. Lithium resources at Greenbushes mine are mainly located at the Central Lode and Kapanga areas. The Central Lode is currently the major source for lithium mining operation while Kapanga is currently still under exploration stage as a mineral resource base. In addition to the above mineral resources, Talison also conducts secondary lithium processing of remaining tailings from previous tantalum mineral operations contained within the Tailing Storage Facility No.1 (TSF1), which existed even before lithium operation in Greenbushes.

In 2023, the total mineral resources were further enhanced with the continuous and intensive exploration and development of the Central Lode and Kapanga areas of the spodumene mine at Greenbushes.

In 2023, Talison has updated the estimates on its mineral resources and reserves of the spodumene mine at Greenbushes in Australia, which has been assessed by AMC Consultants, a professional organization. As of 31 December 2023, the updated mineral resources of the spodumene mine at Greenbushes increased to 447 million tons in total, with an average grade of lithium oxide of 1.5%, equivalent to approximately 16 million tons of LCE; the updated reserves of the spodumene mine at Greenbushes increased to 179 million tons in total, with an average grade of lithium oxide of 1.9%, equivalent to approximately 8.5 million tons of LCE.

The updated data of mineral resources and reserves of the spodumene mine at Greenbushes estimated based on Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the "**JORC Code**") are as follows:

Items	Classification	As of 31 December 2023		
	Classification of resources	**Tonnage (Mt)**	**Grade of lithium oxide (%)**	**LCE (Mt)**
Mineral resources	Measured resources	0.7	3.0	0.1
	Indicated resources	397	1.5	15
	Inferred resources	49	1.1	1.3
	Total mineral resources	**447**	**1.5**	**16**
	Classification of reserves	**Tonnage (Mt)**	**Grade of lithium oxide (%)**	**LCE (Mt)**
Ore reserves	Proved ore reserves	0.7	3.0	0.1
	Probable ore reserves	178	1.9	8.4
	Total proved and probable ore reserves	**179**	**1.9**	**8.5**

According to the data of Wood Mackenzie for the third quarter of 2023, Greenbushes lithium mine is currently the world's largest lithium mining project under production in terms of both capacity and output. The mine currently has an established capacity of lithium concentrates of 1.62 million tons/year. With the Chemical-Grade Plant No.3 expected to be put into operation in 2025, its planned production capacity will reach over 2.1 million tons/year. In the mid-term future, Greenbushes also plans to construct the Chemical-Grade Plant No. 4 to further expand the production capacity on lithium concentrates. Lithium concentrates at Greenbushes have been the quality benchmark for the global lithium mining with its excellent and stable product quality for many years.

In 2023, the total output of lithium concentrates at Greenbushes was 1.522 million tons, of which the total output of chemical grade products amounted to 1.447 million tons, and the total output of technical grade products amounted to 75,000 tons. The total output of lithium concentrates was further improved as compared to last year, mainly due to the high grade of raw ores. Meanwhile, the continuous implementation of business improvement projects further improved the recovery rate of each plant. According to the latest data from Fastmarkets in the fourth quarter of 2023, the spodumene mine at Greenbushes was the lithium mine project with the highest output of lithium concentrates in 2023, accounting for 27% of the total output of global hard rock lithium mine in 2023. Meanwhile, the spodumene mine at Greenbushes was also the mine with the lowest cash cost among the major spodumene mines under production in 2022.

2. Sichuan Cuola mine

Cuola Spodumene Mine is located in Xinwei Village, Murong Township, Yajiang County, Ganzi Prefecture, Sichuan Province, which is part of the largest hard rock lithium mine Jiajika ore field in Asia. In December 2008, the Company obtained the exploration rights of the Cuola Spodumene Mine in Yajiang through the acquisition of Shenghe Lithium and obtained the mining rights of the mine in April 2012. At present, the project is under the stage of updating feasibility study and promoting the relevant work in the preliminary stage of construction. Calculated on the data in the "Competent Person's Report" issued by Behre Dolbear Australia Pty Limited in May 2022, as of 31 December 2021, the Cuola Spodumene Mine had lithium resources of 632,000 tons LCE with a resource grade of 1.3%. The mineral resource details of the project are as follows:

Classification of mineral resources (JORC Code)	Tonnage (Mt)	Grade of lithium oxide (%)	Lithium oxide equivalent (kt)	LCE(kt)
Indicated mineral resources	14.2	1.3	186	461
Inferred mineral resources	5.5	1.3	69	171
Total mineral resources	**19.7**	**1.3**	**256**	**632**

Note: Relevant data and classification are reported and classified under the JORC Code.

The Company is actively and orderly promoting the relevant work in the feasibility study on the mining and processing project at the Cuola Spodumene Mine in Yajiang. In May 2023, Shenghe Lithium, a former wholly-owned subsidiary of the Company, introduced Zijin Mining Group Co., Ltd. ("**Zijin Mining**") as its strategic investor 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, Zijin Lithium (Hainan) Co., Ltd. ("**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, the 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 in the consolidated statements of the Company. As of 27 October 2023, the transaction was completed. Introducing the strategic investor is conducive to optimizing the shareholding structure of Shenghe Lithium, giving full play to the resource advantages owned by the Company, leveraging on the strengths of the strategic investor in mineral development and construction, promoting the construction of the Company's Cuola Spodumene Mine project, further accelerating the conversion of the Company's existing resources into actual production capacity/output supply.

In addition, Shenghe Lithium has completed the filing of the Tebaigou Tailing Storage Facility Project of the Cuola Spodumene Mine by the Yajiang County Development and Reform Bureau on 9 January 2024. In the future, the Company will focus on building a world-class green and intelligent mine, and make every effort to promote the construction of the mining and processing project of the Cuola lithium mine in Yajiang.

Upon completion of the project, it will be conducive to further strengthening the Company's resource guarantee capacity, enhancing the stability of the Company's supply chain of raw material for production, especially the supply of raw material for domestic lithium chemical products. Along with the Greenbushes Mine in Australia, the project enables the Company to have dual resource guarantees for its existing and future planned lithium compound production capacity, which helps the Company to achieve a dual-cycle system of integrated supply of lithium concentrates and lithium compounds domestically and internationally in the future.

3. Other strategic layout

The Company is one of the few companies in the world that deploy both in high-quality lithium mines and salt lake brine-based mines.

In August 2014, the Company acquired 20% of the equity interests in Shigatse Zabuye to realize its strategic layout in domestic lithium salt lake resources, i.e. Zabuye salt lake in Tibet. Zabuye salt lake in Tibet is a large comprehensive special salt lake deposit featured with solid-liquid coexistence, and is rich in lithium, boron, potassium, with reserved resources for its principal mineral (lithium carbonate) of 1.79 million tons. According to the "2023 Half-year Report" of Tibet Mineral Development Co., Ltd., the controlling shareholder of Shigatse Zabuye, Zabuye salt lake in Tibet is the third largest lithium salt lake in the world and the largest lithium salt lake in Asia. The lithium concentration in the brine of Zabuye salt lake in Tibet is second only to the Atacama salt lake in Chile, ranking the second in the world in terms of lithium grade. The Zabuye salt lake in Tibet has the advantages of large lithium carbonate reserves with high grade and low magnesium to lithium ratio.

In December 2018, the Company obtained partial rights in the Atacama lithium salt lake through purchasing of a portion of equity in SQM in Chile. SQM operates the Atacama lithium salt lake project which is the largest brine-based lithium reserve in the world. As one of the world's most high-quality lithium salt lake resources, Atacama salt lake has an extremely high lithium ion concentration and an extremely low magnesium to lithium ratio. The project has resources of approximately 10.80 million tons contained metallic lithium with a lithium ion concentration of 1,840mg/L and a magnesium to lithium ratio of only 6.4, ranking among the top in the world in terms of the resource and grade. As of 31 December 2023, according to the dividend distribution plan announced by SQM, the total amount of dividend received and to be received by the Company in proportion to the shareholding ratio is RMB7.9 billion.

According to Fastmarkets data in the fourth quarter of 2023, Atacama salt lake is also the project with the highest output in the world's lithium salt lakes under production in 2023, accounting for 44% of the overall global supply of salt lakes and its production cost is also at an extremely low level among the global lithium salt lake projects.

(II) Production Capacity Expansion of Midstream Lithium Chemical Products

The lithium chemical products produced by the Company include battery-grade and industrial-grade lithium hydroxide, battery-grade and industrial-grade lithium carbonate, lithium chloride and lithium metal, which are widely used in a number of end markets, mainly including new energy vehicles, electric vessels, energy storage systems, aircraft, ceramics and glass, etc. Over the years, the Company's processing business of lithium products has been developing and expanding, and now has a long-term and proven operation performance which is high-efficient and successful. With its professional knowledge and strong strength, the Company has gradually established a leading position in the domestic lithium chemical industry.

At present, there are five production bases under production and two production bases under construction for lithium chemical products. The production bases for lithium chemical products under production are located in Shehong, Sichuan, Tongliang, Chongqing, Zhangjiagang, Jiangsu, Kwinana, Australia, and Anju, Suining, Sichuan, China.

The Company's current nameplate capacity of lithium chemical products is 88,800 tons per annum, which, when aggregated with the announced planned capacity of lithium chemical products, exceeds 140,000 tons per annum.

Sichuan Shehong Production Base is the earliest production base of the Company with various types of products and established operation management. It has an annual capacity of comprehensive lithium chemical products of approximately 24,200 tons with the respective annual capacity of lithium carbonate, lithium hydroxide, lithium chloride and lithium metal of 14,500 tons, 5,000 tons, 4,500 tons and 200 tons.

According to Wood Mackenzie's industry report, Jiangsu Zhangjiagang Production Base stands as the first fully automated battery-grade lithium carbonate production plant under reliable operation worldwide. Currently, it has an annual capacity of 20,000 tons.

Chongqing Tongliang Production Base, as a lithium metal production plant of the Company, is of great significance to the Company's layout in the field of solid-state battery. Currently, it has an annual capacity of 600 tons.

A battery-grade lithium carbonate project with an annual capacity of 20,000 tons under the Sichuan Suining Anju plant was officially completed on 26 October 2023. After that, the first bag of battery-grade lithium carbonate products was produced and passed the sampling inspection by the Company's internal laboratory on 21 December 2023 through commissioning and optimization in less than two months. The project is currently in the stage of production ramp-up.

The Company's Train I battery-grade lithium hydroxide project in Kwinana Plant, Australia was the first lithium hydroxide project under production in Australia and also the first overseas lithium hydroxide production line operated by a Chinese enterprise, with a nameplate annual capacity of 24,000 tons and in the capacity ramp-up process now. The lithium hydroxide products from the Train I Project in Kwinana Plant, Australia passed the sampling test by SK On Co. Ltd and Northvolt ETT AB, both as our customers, and were arranged delivery from January 2024. The plant was adjacent to the spodumene mine project at Greenbushes, where 100% of the raw materials required for the production of lithium

hydroxide were provided by the Greenbushes Lithium Mine project, making the Company the first entity to have a complete and independent production and supply system from lithium concentrates to lithium compounds in Australia. The system helped the Company better cope with the current complex and ever-changing international trade situation.

In addition, the Company initiated a lithium hydroxide project in Jiangsu Zhangjiagang Production Base, aiming to achieve an annual capacity of 30,000 tons. At the same time, the feasibility study of a project's construction with the capacity of 1,000-ton lithium metal and supporting raw materials in Chongqing is in progress, and the 24,000-ton battery-grade lithium hydroxide project at the Train II Kwinana Plant is planned to be restarted to further increase the Company's medium-term production capacity of lithium chemical products to over 140,000 tons/year.

In addition, the Company has a plant in Mianyang, Sichuan, which is mainly engaged in the comprehensive recycling of bulk industrial solid waste (lithium residues), and the processing and production of high-quality non-metallic new materials – silicon-aluminum powder. The plant of the Company has the world's first production line with independent intellectual property rights and with an annual output of 30,000 tons of silicon-aluminum powder. It is an innovative platform and incubation base for the comprehensive utilization of resources.

Details of the Company's global production bases are as follows:

	Sichuan Shehong Production Base	**Jiangsu Zhangjiagang Production Base**	**Chongqing Tongliang Production Base**	**Kwinana Plant in Australia**	**Sichuan Suining Anju Plant**	**Sichuan Mianyang Yanting Plant**
Production base						
Equity proportion	100%	100%	86.38%	51%	100%	100%
Operation status	Under production	Under production	Under production	Under production	Under production	Under production
Product(s)	Lithium carbonate, lithium hydroxide, lithium chloride and lithium metal	Battery-grade lithium carbonate and battery-grade lithium hydroxide	Lithium metal	Battery-grade lithium hydroxide	Battery grade lithium carbonate	Silicon-aluminum powder
Established capacity	24,200 tons/year	20,000 tons/year	600 tons/year	24,000 tons/year	20,000 tons/year	30,000 tons/year
Capacity under construction/ planned capacity	/	30,000 tons/year	1,000 tons/year	24,000 tons/year	/	/
Total future capacity	24,200 tons/year	50,000 tons/year	1,600 tons/year	48,000 tons/year	20,000 tons/year	30,000 tons/year
Applications	• Cathode materials and electrolyte materials for lithium-ion battery, and solid-state batteries • **End-users**: new energy vehicles, electric vessels, energy storage, two-wheelers, 3C digital products, etc.	• Cathode materials and electrolyte materials for lithium-ion battery • **End-users**: new energy vehicles, electric vessels, energy storage, two-wheelers, 3C digital products, etc.	• Solid-state batteries, aerospace, alloy materials, pharmaceuticals, etc.	• Cathode materials for lithium-ion battery • **End-users**: new energy vehicles, electric vessels, energy storage, two-wheelers, 3C digital products, etc.	• Cathode materials and electrolyte materials for lithium-ion battery, and solid-state batteries • **End-users**: new energy vehicles, electric vessels, energy storage, two-wheelers, 3C digital products, etc.	• Special glass, glass fiber, functional ceramics, super-hard materials, green new refractory materials and high-end building materials, etc.
Highlights	• Wide range of products • Boasting a mature production, governance and cost management system	• The first fully automated battery-grade lithium carbonate production plant under reliable operation worldwide • Boasting a high level of production technology and processing flow and being considered as a benchmark in the domestic lithium carbonate market in terms of cost control and product quality • Adjacent to the ocean terminal with major chemical raw materials being supplied nearby	• Integration of research and development, production and sales of lithium metal • Being expected that the demand for lithium metal in the future market will continue to increase with the gradual maturity, application and popularization of solid-state battery technology	• The Train I Lithium Hydroxide Project in Kwinana Plant, Australia stands as the world's first fully automated battery-grade lithium hydroxide processing plant in operation	• First self-built global automated battery-grade lithium carbonate plant • Boasting a high level of factory automation, process level, emission control indicators, EHS and ESG management level	• The world's first production line with independent intellectual property rights and with an annual output of 30,000 tons of silicon-aluminum powder

(Source: according to the Company's information)

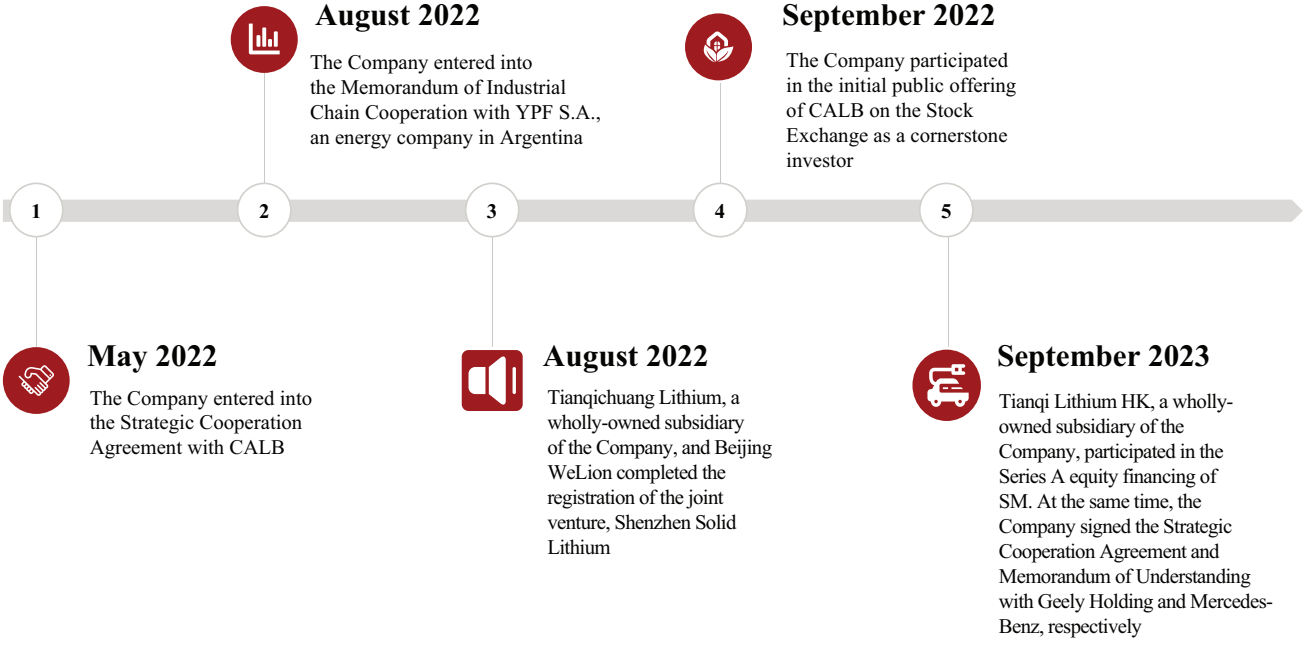
(III) Upstream and Downstream Customers and Cooperation in the Industrial Chain

Throughout almost 30 years of history in the lithium industry, the Company has currently developed long-term relationships with many preeminent lithium end users globally and in China, through dedicated sales forces and sales landscape coverage. With the continuous growth in the Company's production capacity and the rapid development of the industry, the Company has embarked on an integrated upstream and downstream cooperation model in the industrial chain. The Company's customer base has become increasingly diverse, with a focus shifting from cathode material industry to the entire industry chain, penetrating cathode materials, batteries and automobiles. During the Reporting Period, the Company started its first cooperation with EV OEMs, becoming a part of the supply chain system of leading companies in the global new energy vehicle industry. The mutual recognition among leading companies in all sectors of the industry chain has been greatly enhanced, and the mutual dependence and stickiness are gradually increasing. The Company has always maintained stable relationships with the majority of customers. The Company has also integrated itself into much of its customers' R&D work, including developing batteries with long-life, high-energy density and high reliability and safety, and has become one of the critical suppliers for many of the customers. The importance of the Company's products within the supply chain of the customers and the products' track record of high quality and consistency have enabled the Company to develop and maintain long-term customer relationships.

The Company has a stable and high-quality customer group primarily consisting of global top-tier battery producers, battery materials producers, new energy vehicle manufacturers, multinational electronics companies and glass producers. In 2022, the Company signed long-term supply agreements with a number of lithium battery materials and lithium battery manufacturers, and established long-term strategic cooperation relationships to strengthen the close connection between the upstream and downstream industrial chains.

In addition, the Company actively promotes the cooperation between the upstream and downstream industrial chains, in order to provide new fields and updated feedback for the Company's business expansion, which is conducive to the implementation of vertically integrated development strategy while exploring the opportunities for development in the industrial chain circle by the Company. In September 2023, Tianqi Lithium HK, a wholly-owned subsidiary of the Company, intended to participate in the Series A equity financing of smart Mobility Pte. Ltd. ("**SM**"), a new energy vehicle company, by means of subscribing for the newly registered capital. As of the date of this announcement, the project has been completed.

Actively Promote the Cooperation Between the Upstream and Downstream Industrial Chains



The Company 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 deployment to prepare for the future trend of better utilization of lithium in new battery applications.

(IV) R&D Innovation and Improvement in Process Technology

Technological R&D capability is not only the core pillar of the Company's development, but also a solid guarantee to ensure the sustainable business growth. The Company is equipped with a highly skilled R&D team, mature scalable production technology, and extensive innovative experience, offering robust support for the production of high-quality lithium chemical products. During the Reporting Period, the Company further strengthened its management system, refined technical processes and expanded the scope of industry-academic cooperation, thereby further enhancing the Company's innovative R&D capability.

The Company has built a strong and stable R&D team over the years, continuously solidifying its traditional core business through research and innovation. While focusing on energy conservation, consumption reduction, and enhancing product quality, it has been actively developing core new products and technologies in the industry, striving for diversified business operations and achieving dual-core drive of both resources and technology. The Company's core R&D team comprises carefully selected experts with balanced expertise, advanced degrees and extensive experience in materials engineering, inorganic chemistry, chemical engineering, metallurgy, and other scientific fields crucial to lithium product development. The Company fosters an environment of open and constructive competition internally, with research teams located in Chengdu, Shehong, Zhangjiagang, Tongliang, and Australia. The Company has been honored with several prestigious platforms including 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), etc. It has established the "Tianqi Lithium Corporation - Chengdu University of Technology Joint Laboratory for Low-carbon Resource Comprehensive Development and Utilization", participating in the research on innovative technologies for green and efficient separation of salt lake resources, lithium resource extraction and separation, and comprehensive recycling of low-carbon resources.

During the Reporting Period, the Company completed the construction and commissioning of the kilogram-level demonstration line for lithium sulfide products, the key raw material for the next-generation sulfur-based solid-state electrolytes. This achievement enabled stable production of battery-grade lithium sulfide products and the completion of multiple batches of customer sampling. The products were highly rated by target customers. In 2023, the Company's R&D team further enhanced the overall quality of the 20μm ultra-thin lithium metal strips through material refinement control and equipment modularization upgrades. Currently, the ultra-thin lithium strips have passed CNAS certification, and assisted the Institute of Physics, Chinese Academy of Sciences in developing lithium metal batteries with a world record-breaking energy density of over 700Wh/kg; at the same time, the Company also actively engaged in cooperation with downstream players, and has developed anisotropic lithium-copper composite strips for well-known domestic lithium battery companies with a supply capacity at the kilogram level.

In terms of the comprehensive recycling and utilization of lithium residues, the Company completed the output of the laboratory-scale to pilot-scale (60t/dry basis) processing flow packages and the deployment on patents; unveiled and addressed difficulties in the 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. In October 2022, the Company established a wholly-owned subsidiary, Yanting New Lithium, mainly engaged in the comprehensive recycling of bulk industrial solid waste (lithium residues), and the processing and production of high-quality non-metallic new materials – silicon-aluminum powder. It now has the world's first production line with independent intellectual property rights and with an annual output of 30,000 tons of silicon-aluminum powder. The production line is of great significance for the Company to unblock the high-value utilization chain of the industrial chain, build an innovative platform and incubation base for the comprehensive utilization of resources, and improve the comprehensive utilization rate of bulk industrial solid waste (lithium residues).

In terms of technological process improvement, the Company adheres to enhancing efficiency, environmental optimization, quality assurance, and safety reliability on existing production lines through technological innovation and transformation, and established goals for technological R&D and technical improvement under the guidance of the Company's strategy and market demand, initiated special projects to address difficulties, and built a production and technology talent team, in order to achieve the strategic objective of "technology-oriented transformation". The Company attaches importance to automation construction of its production subsidiaries, which can help improve both its quality control ability and labor productivity. The subsidiaries, namely Jiangsu Tianqi, Chongqing Tianqi and Shehong Tianqi have all obtained the Automobile Quality Management System Certification issued by TÜV Rheinland. As of 31 December 2023, the Company has applied for 425 patents in total globally and 241 authorized patents were still valid. It has also received one Golden Award for Outstanding Chinese Patented Invention and published 30 high-quality papers, with 20 papers being included in SCI/EI. The Company has been honored with 2 awards for scientific and technological progress at or above provincial and ministerial level, and has undertaken 3 national projects along with 9 provincial scientific and technological projects.

Meanwhile, the Company has strengthened the incubation of innovative projects by identifying synergistic models among its strategic, R&D, and external cooperation efforts. It has selected applied projects that align with the Company's strategic development, integrated them systematically, and laid a solid foundation for achieving the Company's development strategy and sustainable growth. Currently, the Company has collaborated with many universities and research institutions in terms of scientific research and talent development. These collaborations cover a spectrum of themes along the lithium resource industry chain, spanning from lithium resource development, basic lithium material, next-generation key battery materials, battery recycling and the high-value and comprehensive recycling and utilization of solid waste resources, providing a driving force for technological innovation breakthroughs. Additionally, the Company has propelled the construction of a world-class R&D platform and established the Tianqi Lithium Innovation and Experiment Research Institute in March 2023, aiming to enhance the Company's applied technology innovation research and international testing and certification capabilities, while serving as an incubator for nurturing talent and facilitating technological transformation.

(V) Overseas Equity Management

In 2023, the Company further enhanced its corporate governance and operations management on overseas controlling subsidiaries. Building upon previous efforts, it continued to expand the scope of governance and control over its controlling subsidiaries, and strengthened the communication and participation between the Company and overseas controlling subsidiaries in daily operations.

As a major investment platform and significant overseas controlling subsidiary of the Company in Australia, TLEA possesses two main overseas assets, Windfield and TLK. In 2023, the Company further exerted governance and control over TLEA and continuously deployed multiple teams of technical experts from various domestic production bases of the Company to Australia. An operational support team has been formed to assist Kwinana in operations management and lithium hydroxide production technology. Additionally, the Company's headquarters also actively organized visits for TLEA management and technical team of TLK to domestic production bases, facilitating the exchange of mature and advanced operational management systems and production technology experiences while further accelerating the commissioning and ramp-up process of the Kwinana Plant.

As of the date of this announcement, the ramp-up process of the Kwinana Plant has been carrying out in an orderly manner and its battery-grade lithium hydroxide samples were certified by SK On Co. Ltd and Northvolt ETT AB, respectively.

In 2023, the corporate governance of Windfield was further improved. Directors were actively involved in board meetings and strategic discussions at the Windfield's board level, where they performed relevant decision-making responsibilities. In-depth communication was made at the management level of Windfield, and the Company also jointly established a number of special committees with the shareholder representatives of Windfield to regularly discuss special work of Windfield, including production operation, major projects, annual budget, technological upgrading and strategic development, enabling the shareholders to have a better understanding of the operations at Windfield. Furthermore, the Company leveraged shareholder resources to assist Windfield in enhancing its operational management through complementary advantages and facilitate rapid development, effectively safeguarding shareholders' interests at Windfield.

During the Reporting Period, in face of the current market condition, the Company launched an adjusted product pricing method in line with the market logic and trend in due course, pursuant to which the price of Talison chemical-grade lithium concentrate products was no longer calculated on the basis of the quarterly average price of four major price reporting agencies (Fastmarkets, Benchmark Mineral Intelligence, S&P Global Platts and Asian Metal) and shareholders' discount, but on the basis of monthly average price of the above four major price reporting agencies for the previous month and shareholders' discount. The adjusted pricing strategy aligns better with market spot prices, thereby enhancing the Company's adaptability to market fluctuations, bolstering its market competitiveness, and further optimizing its business strategy.

(VI) Capital Market and Sustainable Development

In terms of governance structure, the Company is committed to achieving a diversified board composition. In terms of gender, the Board consists of eight Directors, with independent non-executive Directors accounting for 50% and female members accounting for 50%. In terms of professional and industry background, the members of the Board possess extensive experience in one or more areas including lithium industry, corporate governance, finance/accounting, risk management, ESG and strategy. The Board has established five special committees, namely the Audit and Risk Committee, the Remuneration and Appraisal Committee, the Strategy and Investment Committee, the Nomination and Governance Committee and the ESG and Sustainable Development Committee, as internal standing bodies to assist the Board in exercising its powers. These committees are chaired by independent non-executive Directors, with the Audit and Risk Committee's chairperson being an expert in the financial field.

In terms of sustainable development, the Company linked the remuneration performance of senior management with a total of 22 ESG indicators in 2023, ensuring a 100% coverage of ESG indicators in the Company's executive compensation performance. In May 2023, the Company cooperated with a syndicate of banks to complete a structural change to a three-year US$400 million loan linked to sustainability, and obtained dual certification. This linkage involved two ESG-related indicators, aiming at reducing the carbon emission intensity and improving water recycling efficiency, demonstrating that the Company stayed at the forefront of sustainable finance in the country while reducing financial costs. In July 2023, the Company officially issued the White Paper on Sustainable Lithium Industry in Achieving Net Zero, started the "Changing the World with Lithium – Net Zero" initiative, and invited value chain participants to achieve net zero emissions in their business operations by no later than 2050 and strive to reduce other emissions in the value chain.

Thanks to the Company's efforts in environmental, social, and governance (ESG), its ESG rating was upgraded from BB to BBB by Morgan Stanley Capital International (MSCI) in August 2023. In addition, according to the 2023 S&P Global ESG score released by S&P Dow Jones Indices LLC, the Company was also included in the S&P China A300 ESG Tilted Index.

In the meanwhile, the Company actively participated in various capital market and investor relations activities, demonstrating a sincere commitment to investors of all types and protection over the rights and interests of small and medium investors. The Company's recognition and influence in both international and domestic capital markets continue to increase. As of the date of this announcement, the Company's A-share stocks have been included in SZSE 50 Index, SZSE Component Index, CSI A50 Index and MSCI China Index, while its H-share stocks have been included in Hang Seng Composite Index and FTSE Russell's Flagship Index, reflecting the recognition for the Company in terms of market value, corporate governance and industry representativeness in the capital market. According to the 2023 "Top 500 Market Capitalization of Chinese Listed Companies" released by Wind, the Company was ranked 165th among the overall listed companies in China and 134th among A share listed companies in terms of market value of the Company in 2023. In 2023, the Company was honored with approximately 40 awards within various categories of the capital market. Leveraging its outstanding practices in the industry, the Company was invited by the SZSE to a collective exchange activity for listed companies themed "Industry Benchmark Laying the Foundation" held at SZSE's Western Base in October 2023.

OUTLOOK

(I) Continuously adhere to the development strategy of "consolidating the upstream industrial advantages, enhancing business development in the midstream, and expanding to downstream sectors"

The Company is a new energy material enterprise with lithium at its core. With the commitment to its long-term development strategy of "consolidating the upstream industrial advantages, enhancing business development in the midstream, and expanding to downstream sectors", the Company takes "changing the world with lithium" as its guiding principle, focuses on its core business, and actively deploys global lithium material resources and processing capacity.

1. Continuously consolidate the deployment on upstream lithium resources

The Company has currently deployed high-quality hard rock lithium mines and lithium salt lakes at the same time. With a high-quality and multi-dimensional lithium resources portfolio, the Company has achieved 100% self-sufficiency in lithium resources, ensuring the stability of the supply chain and long-term autonomy in business development.

Resource guarantee is the cornerstone of the Company's operations. The Company will continue to implement the concept on global industrial deployment and expand the portfolio and development on upstream lithium resources in the future. Currently, the Company is actively and orderly promoting the relevant work of the processing plant of the mining and processing of Cuola Spodumene Mine in Yajiang. The Company's holding subsidiary Shenghe Lithium obtained the filing of the Tebaigou tailings storage project of the Cuola Spodumene Mine by the Yajiang County Development and Reform Bureau on 9 January 2024. On 18 March 2024, Shenghe Lithium, along with other lithium industry enterprises in the Jiajika mine area, jointly invested to establish a joint venture company to construct a 220kV power transmission and transformation project to meet the electricity needs of all parties. The establishment of the joint venture company will provide infrastructure support for the subsequent development of the Cola project. In the future, the Company will focus on building a world-class green and smart mine, and make every effort to promote the work related to the construction of the mining and processing project of Cuola Spodumene Mine in Yajiang. Once completed, the project will further strengthen the Company's ability to guarantee resources and enhance the stability of the Company's supply chain of raw material for production, especially the supply of raw material for domestic lithium compounds production. With the Greenbushes Mine in Australia, the Company has boasted dual resource guarantees for its existing and future planned lithium compounds production capacity, thereby helping the Company to achieve a dual-cycle system of integrated lithium compounds supply for domestic and overseas lithium mines in the future.

In the future, the Company will continue to adopt an open and cooperative attitude, actively scout for high-quality lithium resource projects worldwide, solidifying and enhancing the Company's leading position in the lithium resource industry. The Company will further strengthen its long-term and stable self-sufficiency in resources through continuous exploration and development, ensuring a solid resource guarantee for the Company's business development.

2. Focus on increasing production capacity and advance project construction in a stable and orderly manner

The Company will continue the established business model of "vertical integration", leveraging solid resource security from high-quality resource bases. It will steadily implement and orderly advance the capacity expansion plan on basic lithium chemical products in light of the market condition to further exploit synergies within the industry chain. In terms of production technology, the Company will fully leverage and improve the technical advantages and experience in automatic production to maximize resource utilization, continuously promote the global level of automated production in lithium chemical product plants. The Company has deeply explored in the processing sector of lithium chemical products for years, and currently has a total of five in-production and three under-construction or planned lithium chemical products production base projects.

In the future, the Company will further exploit synergies within the industry chain and expand the lithium chemical products capacities to better achieve the balance of lithium concentrates and lithium chemical products processing capacities.

3. Establish various forms of strategic partnerships with leading companies upstream and downstream of the value chain

The Company has a stable and high-quality customer group primarily consisting of global top-tier battery producers, battery materials producers, new energy vehicle companies, multinational electronics companies and glass producers. In 2022, the Company signed long-term supply agreements with a number of downstream manufacturers of lithium battery materials and lithium batteries, and established long-term strategic cooperation relationships to strengthen the close connection between the upstream and downstream industrial chains. In September 2023, Tianqi Lithium HK, a wholly-owned subsidiary of the Company, intended to participate in the Series A equity financing of SM, a new energy vehicle company, by means of subscribing for the newly registered capital. As of the date of this announcement, the project has been implemented.

The Company will pay close attention to the opportunities in the upstream and downstream industry chains, continuously optimize the investment portfolio of the Company, enhance the deployment of the industry chain, and provide new value growth points for the Company's long-term sustainable development. In terms of upstream resources, the Company 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 Company 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. Meanwhile, the Company will pay attention to investment opportunities in electric vehicles and energy storage sectors and participate in downstream investment at the appropriate time to prepare for the future trend of better utilization of lithium in new battery applications.

(II) Continue to expand the Company's global business and broaden global customer bases

The Company, as an established leader in the global lithium industry, has built up its first-class customer network and become a critical partner in the supply chain of several key battery producers, Electrical Vehicle Original Equipment Manufacturers and new energy vehicle manufacturers around the world. During the Reporting Period, the Company maintained stable relationships with a majority of customers, and signed long-term sales 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 Company will rely on global economic development, the development of the dynamics of international relations and so on, actively optimize the deployment of overseas businesses, establish a new developing model for the interaction between domestic and overseas businesses, and promote integrated development for domestic and overseas businesses.

(III) Accelerate the pace of transforming into a science and technology based company, build a platform for talent attraction, and improve the Company's core competitiveness

The Company has long attached importance to technology R&D, insisted on building and improving the overall R&D capabilities of its R&D team, and endeavor to build a highly efficient R&D platform. The Company is accelerating the allocation of leading R&D professionals in key areas and planning the direction and implementation path of scientific research in line with the Company's strategic requirements, in order to accelerate the pace of the Company's transformation from a resource-based enterprise to a technology and innovation based enterprise.

The Company has been working on "resources-materials-renewable resources", from the development and comprehensive utilization of lithium ore and lithium brine-based resources to the research on basic lithium materials such as basic lithium salts, special lithium salts, lithium metals and their alloys and lithium strips and their derivative products, and the cutting-edge development of key materials for the next generation of lithium batteries, and further to the recycling of waste lithium batteries and the high-value and comprehensive recycling of lithium residues, to create and form a brand of circular economy in the lithium industry chain. The Company has extensive research and expertise in lithium resources and lithium materials, with rich practical experience especially in the field of the recycling, reduction, harmless treatment and high-value and comprehensive recycling of lithium residues. At the same time, the Company strengthened the incubation of innovative projects, selected applied technology projects in line with the strategic development of the Company by seeking a good synergy model of the strategy, research and development and external cooperation of the Company, and carried out orderly integration, laying a solid foundation for the achievement of the development strategy and sustainable development of the Company. At present, the Company has established a cooperation model with a number of universities and scientific research institutions such as Chinese Academy of Sciences, Tsinghua University and Sichuan University for scientific research and talent cultivation, which covered the upstream, midstream and downstream of the lithium resources industry chain and involved the whole life cycle of "lithium resources development – basic lithium battery materials – key materials for the next generation of batteries – battery recycling – high-value and comprehensive recycling of solid waste resources", which provided the driving force for technological innovation and breakthroughs in the entire lithium resources industry chain.

In the future, the Company will continue its technological innovation and promote the transformation of its technical achievements. In terms of new energy-saving lithium metal extraction technology, the Company will continue to explore the comprehensive utilization of mineral resources and new lithium extraction technology, and complete the establishment of production lines to support the key raw materials for next-generation solid-state batteries. The Company will also optimize the existing battery recycling process, and set up a high-value utilization path for the recycling of batteries. At the same time, the Company will continue to strengthen the transformation and practical application of existing scientific and technological achievements, seek new breakthroughs, actively conduct the market expansion, and evaluate and incubate the achievements in the light of market demand.

FINANCIAL REVIEW

1. Overview

During the Reporting Period, the Group's revenue was RMB40,448,303 thousand, representing an increase of RMB279,380 thousand or 0.70% from RMB40,168,923 thousand in 2022.

The Group's gross profit was RMB34,347,819 thousand, representing an increase of RMB193,524 thousand or 0.57% from RMB34,154,295 thousand in 2022. The basic earnings per share of the Group were RMB4.44.

During the Reporting Period, the profit for the period attributable to equity shareholders of the Company was RMB7,278,343 thousand, representing a decrease of RMB16,666,247 thousand or 69.60% from RMB23,944,590 thousand in 2022. This decrease was primarily due to the following reasons: (1) due to the fluctuation in the market of lithium chemical products, the selling price of the Group's lithium compounds and derivatives decreased compared to last year, resulting in a decrease in the gross profit of lithium compounds and derivatives; (2) the increase in the selling price of lithium concentrates compared to last year led to an increase in the net profit of the Group's holding subsidiary Windfield, and the income tax expenses and the profit attributable to non-controlling interests during the Reporting Period increased accordingly; (3) the share of profits less losses of associates decreased compared to last year; (4) in the last year, SES, an investee of the Group, was listed on the New York Stock Exchange. The Company lost its significant influence on SES due to passive dilution of its shareholding in SES, resulting in other income as the interests in associates were designated from interests in associate into financial assets at FVOCI (non-recycling). There was no such item during the Reporting Period, and other income decreased by approximately RMB1.1 billion compared to last year; (5) taking into account the market conditions, the Company's operating performances and other factors, and in accordance with the relevant accounting policies, the Company performed an impairment test on assets displaying indications of impairment at the date of the 2023 balance sheet and made provisions for impairment losses on the assets with impairment.

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. The total revenue increased by RMB279,380 thousand to RMB40,448,303 thousand in 2023 from RMB40,168,923 thousand in 2022. The growth in total revenue was primarily because the sales volume and average selling price of the Group's lithium concentrates increased during the Reporting Period compared to last year.

(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

	2023		2022		Year-on-year
	Amount	**Proportion of revenue**	Amount	Proportion of revenue	increase or decrease
Revenue	**40,448,303**	**100%**	40,168,923	100%	0.70%
By products					
Lithium concentrates	**27,196,479**	**67.24%**	15,414,461	38.37%	76.43%
Lithium compounds and derivatives	**13,251,824**	**32.76%**	24,754,462	61.63%	-46.47%
By regions					
Mainland China	**34,284,424**	**84.76%**	33,612,173	83.68%	2.00%
Overseas	**6,163,879**	**15.24%**	6,556,750	16.32%	-5.99%

(2) Analysis of cost of sales by products

Unit: RMB'000

	2023		2022		Year-on-year
	Amount	**Proportion of revenue**	Amount	Proportion of revenue	increase or decrease
Cost of sales	**6,100,484**	**100%**	6,014,628	100%	1.36%
By products					
Lithium concentrates	**2,599,756**	**42.62%**	2,477,165	41.19%	4.95%
Lithium compounds and derivatives	**3,500,728**	**57.38%**	3,537,463	58.81%	-1.04%
By regions					
Mainland China	**5,107,335**	**83.72%**	4,971,341	82.65%	2.74%
Overseas	**993,149**	**16.28%**	1,043,287	17.35%	-4.81%

3. Gross profit and gross profit margin

During the Reporting Period, the gross profit margin of the Group was 84.92%, representing a decrease of 0.11 percentage point from 85.03% in 2022, mainly due to a decrease in the sales prices of lithium compounds and derivatives as a result of changes in market conditions compared to last year, resulting in a decrease in the Group's consolidated gross profit margin.

Gross profit and gross profit margin by products

Unit: RMB'000

	2023		2022	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
Lithium concentrates	**24,596,723**	**90.44%**	12,937,296	83.93%
Lithium compounds and derivatives	**9,751,096**	**73.58%**	21,216,999	85.71%
Total	**34,347,819**	**84.92%**	34,154,295	85.03%

Gross profit and gross profit margin by regions

Unit: RMB'000

	2023		2022	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
Mainland China	**29,177,089**	**85.10%**	28,640,832	85.21%
Overseas	**5,170,730**	**83.89%**	5,513,463	84.09%
Total	**34,347,819**	**84.92%**	34,154,295	85.03%

4. Major customers and suppliers

During the Reporting Period, total sales to the top 5 customers of the Group was RMB31,048,426 thousand (2022: RMB24,303,919 thousand), which accounted for 76.76% of the total sales for the Reporting Period (2022: 60.50%). During the Reporting Period, total purchases from top 5 suppliers of the Group was RMB1,493,881 thousand (2022: RMB1,250,058 thousand), which accounted for 16.57% of the total purchases for the Reporting Period (2022: 21.34%).

5. Other net income

The other net income of the Group mainly included interest income from bank deposits, net foreign exchange gains and government grants. During the Reporting Period, the other net income of the Group amounted to RMB702,918 thousand, representing a decrease of RMB584,054 thousand from RMB1,286,972 thousand in 2022, which was mainly due to a decrease in the Company's gains on deemed disposal of an associate and gains on partial disposal of an associate during the Reporting Period.

6. Expenses

	For the year ended 31 December 2023	For the year ended 31 December 2022	Changes	Explanations of material changes
Selling and distribution expenses	**33,772**	29,034	16.32%	
Administrative expenses	**641,175**	409,372	56.62%	Primarily due to the increase in employee's salaries, consulting expenses for professional parties, share-based payment expenses and office expenses compared to last year
Research and development expenses	**30,375**	26,703	13.75%	
Finance costs	**550,102**	1,082,721	-49.19%	Primarily due to 1) the decrease in interest expenses compared to last year; 2) the increase in interest income compared to last year

7. Research and development expenses

During the Reporting Period, the research and development expenses of the Group amounted to RMB30,375 thousand, representing an increase of 13.75% from RMB26,703 thousand in 2022, and accounting for 0.08% of the Group's revenue, which was mainly due to the increase in remuneration of the R&D staff and the increase in depreciation and amortization of assets of the R&D department during the Reporting Period.

8. Cash flows

	For the year ended 31 December 2023 ***RMB'000***	For the year ended 31 December 2022 *RMB'000*	Changes *%*	Explanations of material changes
Net cash flows generated from operating activities	**22,688,074**	20,297,583	11.78	
Net cash flows (used in)/ generated from investing activities	**(2,022,702)**	744,009	-371.87	Primarily due to the increase in the payment for the purchase of property, plant and equipment and intangible assets during the Reporting Period compared to last year
Net cash flows used in financing activities	**(23,437,996)**	(10,570,625)	121.73	Primarily due to the increase in the cash dividend distributions and dividends paid to non-controlling interests and the decrease in proceeds from issuance of ordinary H shares during the Reporting Period compared to last year
Net (decrease)/increase in cash and cash equivalents	**(2,772,624)**	10,470,967	-126.48	Resulting from the changes of the above-mentioned capital activities

9. Financial position

The non-current assets increased by RMB8,762,882 thousand from RMB46,597,759 thousand as at 31 December 2022 to RMB55,360,641 thousand as at 31 December 2023, mainly due to the increase in the property, plant and equipment, interest in associates, and deferred tax assets during the Reporting Period.

The current assets decreased by RMB6,351,830 thousand from RMB25,960,258 thousand as at 31 December 2022 to RMB19,608,428 thousand as at 31 December 2023, mainly due to the decrease in the trade and other receivables and cash and cash equivalents.

The current liabilities decreased by RMB895,240 thousand from RMB7,555,107 thousand as at 31 December 2022 to RMB6,659,867 thousand as at 31 December 2023, mainly due to the decrease in the current tax resulting from a decrease in profit before taxation during the Reporting Period.

The non-current liabilities increased by RMB2,108,931 thousand from RMB10,244,668 thousand as at 31 December 2022 to RMB12,353,599 thousand as at 31 December 2023, mainly due to the increase in the bank loans and other borrowings and lease liabilities during the Reporting Period.

As at 31 December 2023 and 31 December 2022, the net current assets of the Group amounted to RMB12,948,561 thousand and RMB18,405,151 thousand, respectively, and the net assets amounted to RMB55,955,603 thousand and RMB54,758,242 thousand, respectively.

As at 31 December 2023 and 31 December 2022, the cash and cash equivalents of the Group amounted to RMB9,330,480 thousand and RMB12,289,948 thousand, respectively.

10. Income tax expenses

During the Reporting Period, the income tax of the Group amounted to RMB10,618,195 thousand, representing an increase of RMB1,804,521 thousand from RMB8,813,674 thousand in 2022, which was mainly due to the increase in the taxable income caused by the increase in profit before taxation of Windfield, an overseas subsidiary of the Company, for the current period.

11. Capital expenditure

During the Reporting Period, the capital expenditure of the Group was RMB6,061,816 thousand, representing an increase of RMB3,839,147 thousand from RMB2,222,669 thousand in 2022. The capital expenditure mainly consisted of expenditures incurred for the purchase of property, land 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 2023, the interest-bearing bank and other borrowings of the Group amounted to RMB10,481,025 thousand. The 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 RMB936,267 thousand, RMB2,951,171 thousand, and RMB6,593,587 thousand, respectively. As at 31 December 2023, the Group's outstanding loans included Renminbi loans and foreign currency loans and approximately 5.22% (31 December 2022: 8.35%) of such outstanding loans was 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 took appropriate financial control measures to reduce financing risks and maintain the debt-to-asset ratio within a reasonable range.

13. Restricted assets

As at 31 December 2023, assets with a total carrying value of RMB55,847,163 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 RMB21,433,821 thousand, 100% equity interest in TLAI1 of RMB23,809,761 thousand, and equity investment in SQM of RMB10,541,028 thousand.

14. Gearing ratio

As at 31 December 2023, the Group's gearing ratio, defined as total liabilities (which include current and non-current bank loans, lease liabilities and other borrowings) divided by total equity, was 33.98%, increased by 1.47 percentage points as compared to that as at 31 December 2022.

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

As the majority of monetary assets, liabilities and transactions of the Group are denominated in RMB, U.S. dollars and Australian dollars, the 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 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.

17. Employees and remuneration system

As at 31 December 2023, the Group had a total of 2,864 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 2023 were as follows:

	As of 31 December	
	2023	2022
	RMB'000	*RMB'000*
Contracted for	**1,850,572**	1,477,053

19. Share capital

As of 31 December 2023, the total issued share capital of the Company is 1,641,221,583 shares at the nominal value of RMB1 each; the structure of the Company's share capital 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 enter into any significant investments, or any material acquisition or disposal of any relevant subsidiaries, associates and joint ventures during the Reporting Period.

Albemarle Agreements

Pursuant 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 Lithium Australia shall sell certain technical-grade lithium concentrates and chemical-grade lithium concentrates produced by it to Albemarle Germany. During the year ended 31 December 2023, the total amount of technical-grade and chemical-grade lithium concentrates sold by Talison Lithium Australia to Albemarle Germany was 811,710 tons, with the sales amount of RMB26,174,195 thousand. For further details of the Albemarle Agreements, please refer to the section headed "Connected Transactions" in the prospectus of the Company and the announcement of the Company dated 8 March 2024.

Final Dividend

The Board proposed to distribute cash dividend of RMB13.5 (tax inclusive) for every 10 shares to all Shareholders, based on the total share capital 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. Upon approval by the Shareholders, it is expected that the final dividend will be distributed within 2 months after the convention of the AGM. 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 THE INFORMATION OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

During the Reporting Period, changes to the information of the Directors, Supervisors and chief executive of the Company are set out as follows:

Name	Position	Type	Date
Mr. Yan Dong	Senior vice president	resigned	14 April 2023
Mr. Pan Ying	Independent non-executive Director, chairman of the nomination and governance committee, chairman of the strategy and investment committee, member of the remuneration and appraisal committee, member of the audit and risk committee	resigned	14 April 2023
Ms. Yan Jing	External Supervisor, chairlady of the Board of Supervisors	resigned	14 April 2023
Ms. Jiang Anqi	Chairlady of the ESG and sustainable development committee	resigned	14 April 2023
	Member of the ESG and sustainable development committee	elected	14 April 2023
Mr. Xiang Chuan	Chairman of the strategy and investment committee	elected	14 April 2023
	Member of the nomination and governance committee, member of the ESG and sustainable development committee	resigned	14 April 2023
Ms. Tang Guoqiong	Member of the nomination and governance committee, member of the remuneration and appraisal committee	elected	14 April 2023
	Member of the strategy and investment committee	resigned	14 April 2023
Ms. Huang Wei	Member of the audit and risk committee, chairlady of the nomination and governance committee	elected	14 April 2023
Ms. Wu Chagnhua	Independent non-executive Director, member of the strategy and investment committee, chairlady of the ESG and sustainable development committee	elected	14 April 2023
Ms. Wang Dongjie	Supervisor, chairlady of the Board of Supervisors	elected	14 April 2023
Ms. Xiong Wanyu	Senior vice president	appointed	13 July 2023

Save as disclosed above and changes as a result of Board session succession disclosed below, to the best knowledge of the Company, there were no other changes to the information of the Directors, Supervisors and chief executive of the Company which were required to be disclosed pursuant to the 13.51B(1) of the Listing Rules during the Reporting Period.

OTHER SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

1. Promotion of the election of the new sessions of the Board of Directors and the Board of Supervisors according to laws and regulations

The Company held the thirty-fourth meeting of the fifth session of the Board of Directors, the twenty-fourth meeting of the fifth session of the Board of Supervisors and the first extraordinary general meeting of 2023 on 10 March 2023 and 14 April 2023, respectively, at which the following proposals concerning the election of the new sessions of the Board of Directors and the Board of Supervisors were considered and approved, including the election of Mr. Jiang Weiping, Ms. Jiang Anqi, Mr. Ha, Frank Chun Shing and Mr. Zou Jun as executive Directors of the sixth session of the Board of Directors, Mr. Xiang Chuan, Ms. Tang Guoqiong, Ms. Huang Wei and Ms. Wu Changhua as independent non-executive Directors of the sixth session of the Board of Directors, and Ms. Wang Dongjie and Ms. Chen Zemin as non-employee representative Supervisors of the sixth session of the Board of Supervisors. Meanwhile, Mr. Hu Yi was elected as the employee representative Supervisor of the sixth session of the Board of Supervisors at the employee representative meeting held by the Company. On 14 April 2023, the Company held the first meeting of the sixth session of the Board of Directors to elect Mr. Jiang Weiping as the chairman and Ms. Jiang Anqi as the vice chairlady of the sixth session of the Board of Directors, as well as members of each special committee of the Board. Moreover, Mr. Ha, Frank Chun Shing was appointed as the president (general manager) of the Company, Mr. Zou Jun was appointed as the chief financial officer (officer in charge of finance) and executive vice president of the Company, Mr. Guo Wei and Ms. Liu Ying were appointed as executive vice presidents (vice general managers) of the Company, Ms. Xiong Wanyu, Mr. Zhang Wenyu and Mr. Li Guo were appointed as vice presidents (vice general managers) of the Company, and Mr. Zhang Wenyu was appointed as the secretary to the sixth session of the Board of Directors. At the first meeting of the sixth session of the Board of Supervisors held by the Company on the same date, Ms. Wang Dongjie was elected as the chairlady of the sixth session of the Board of Supervisors. The terms of office of the above-mentioned persons are three years and shall expire on the dates of expiration of the terms of office for the sixth session of the Board of Directors and the Board of Supervisors, respectively. Besides, on 13 July 2023, the fifth meeting of the sixth session of the Board of Directors agreed to appoint Ms. Xiong Wanyu (vice president of the Company) as the senior vice president of the Company, and the term shall expire on the date of expiration of the term of office for the sixth session of the Board of Directors.

2. Release of the strategic plan for the next five years (2023-2027)

The Proposal on the Strategic Plan for the Next Five Years (2023-2027) of the Company was considered and approved at the thirty-fifth meeting of the fifth session of the Board of Directors held by the Company on 30 March 2023. Over the next five years, by fully leveraging the capacity and advantages of existing lithium resources and processing plants, the Company plans to constantly develop the upstream high-quality lithium resources, expand the processing capacity of lithium chemical products, promote partnerships across the downstream industrial chain and relevant opportunities, and strive to increase its market share in related fields. Guided by the application of electric vehicles and energy storage, the Company aims to establish a strong presence across whole industrial chain and proactively connect upstream and downstream operations to achieve synergies that reduce pollution, lower carbon emissions, and address climate change. Ultimately, the Company will grow towards a high value-added and technology-driven enterprise.

3. Completion of the profit distribution for 2022 as an effective means for Shareholders' returning

At the thirty-fifth 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 shareholding 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 of 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 dates of shareholding of the profit distribution to the Company's A Shares and H Shares, 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 announcement, the Company's profit distribution plan for 2022 had been completed.

4. The Company's capital increase to wholly-owned subsidiaries

As the implementing body for the acquisition of the equity interest in SQM, Tianqi Xinlong, a wholly-owned subsidiary of the Company, generated a certain amount of internal related recurrent loans during the equity acquisition and repaying syndicated loans of overseas merger and acquisition. To improve Tianqi Xinlong's capital strength, the Company convened the thirty-fifth meeting of the fifth session of the Board of Directors and the twenty-fifth meeting of the fifth session of the Board of Supervisors on 30 March 2023, considering and approving the "Proposal on Capital Increase to the Wholly-Owned Subsidiary" to inject capital into Tianqi Xinlong with the monetary capital of RMB5.7 billion which was included in its registered capital. As of the date of this announcement, the Company has completed the capital increase to Tianqi Xinlong.

5. The Company applied for the registration and issuance of debt financing instruments

In order to further broaden the Company's financing channels, optimize the debt financing structure, and diversify its debt financing instruments to ensure the stability of cash flows, the thirty-fifth meeting of the fifth session of the Board of Directors and the 2022 annual general meeting were convened by the Company on 30 March 2023 and 16 June 2023, respectively, which considered and passed the "Proposal on the Application for Registration and Issuance of Debt Financing Instruments". The Company intended to file an application to the National Association of Financial Market Institutional Investors (the "**NAFMII**") for the registration and issuance of debt financing instruments of no more than RMB6.0 billion (including RMB6.0 billion), which would be issued in several tranches according to the actual capital needs. The maturity period for the debt financing instruments registered and issued shall be no more than five years. The specific term of issuance will be determined with reference to the capital needs of the Company and the market conditions. The Company applied to the NAFMII for registration of short-term financing bonds and medium-term notes in December 2023. As of the date of this announcement, the Company has received the "Notice of Acceptance for Registration" issued by NAFMII, pursuant to which, the registration of the Company's short-term financing bonds and medium-term notes was approved and accepted by NAFMII. The registered amount for short-term financing bonds is RMB2 billion, and the registered amount for medium-term notes is RMB4 billion. The Company will disclose the progress of the issuance of short-term financing bonds and medium-term notes in a timely manner in accordance with relevant laws and regulations.

6. The Company applied for the designated warehouse for lithium carbonate delivery of Guangzhou Futures Exchange

The sixth meeting of the sixth session of the Board of Directors was convened by the Company on 30 August 2023, which considered and passed the "Proposal on the Application for Designated Warehouse for Lithium Carbonate Delivery of Guangzhou Futures Exchange". The Company was agreed to apply to the GFEX for the qualification of the designated delivery warehouse for lithium carbonate, and the management of the Company was authorized to submit the application materials and handle other relevant matters. The GFEX issued the "Announcement on Adjusting the Designated Delivery Warehouses and Quality Inspection Institutions for Lithium Carbonate Futures" (GFEX [2023] No. 268) on 27 November 2023, adding the Company as a delivery warehouse for lithium carbonate futures effective from the date of the announcement published by the GFEX. The designation of the Company as the delivery warehouse for lithium carbonate futures of the GFEX is conducive to further expanding the Company's reputation and influence in the industry and improving the standard management of the Company.

7. Progress of battery-grade lithium hydroxide monohydrate project with an annual capacity of 24,000 tons in Kwinana, 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 controlling 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 and December 2022 respectively. As disclosed in those announcements, after multiple times of commissioning and optimization of the Project, 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 in the stage of capacity ramp-up as of the date of this announcement.

Besides, the Lithium Hydroxide Monohydrate Project in Kwinana ("**Train II**"), with an annual production capacity of 24,000 tons, is currently in the construction and design stage. In September 2023, the board of directors of TLEA, a subsidiary controlled by the Company, approved the front-end engineering design contract for the project. In November 2023, Kwinana plant formally signed the contract with the contractor. It is expected that the front-end engineering design of Kwinana Train II project will be completed in the second half of 2024.

In addition, TLK distributed the products to the potential purchasers for the purpose of certification in December 2022, January and September 2023, respectively. Up to now, the lithium hydroxide samples distributed by the Company to SK On and Northvolt ETT AB have been certified by them and started shipping in January 2024.

8. Progress of lithium carbonate project with an annual capacity of 20,000 tons in Anju, Suining

On 4 December 2017, the "Proposal on Signing the Investment Agreement" was approved at the eleventh 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 "**this 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. This Project was carried out by Suining Tianqi, a wholly-owned subsidiary of the Company and this Project is located in Andong Avenue Chemical Industrial Park, Industrial Concentration Zone, Anju District, Suining City, Sichuan Province; the total capital investment of this Project is expected to be RMB1,431.01 million with the funds being self-raised.

In July 2022, the Company's management reviewed the progress and budget usage of this 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 this Project to be RMB1,477,807,100. This Project was completed and started load commissioning as of 27 October 2023. After multiple times of commissioning and optimization, the first batch of battery-grade lithium carbonate products of Anju Project passed our internal laboratory's sampling test, and on 21 December 2023, all parameters were confirmed to meet the battery-grade lithium carbonate standard.

This Project successfully produced the first batch of battery-grade lithium carbonate products, laying the foundation for subsequent continuous mass production of the plant. After achieving continuous and stable production, products will be provided to different customers for quality certification. After the customer's certification is passed, the production capacity will be gradually increased to reach the designed production capacity. The production commencement of this Project will further expand the Company's lithium chemical products processing capacity and enhance Company's profitability and stability of profit growth.

9. Progress of construction of battery-grade lithium hydroxide monohydrate project with an annual capacity of 30,000 tons in Jiangsu Zhangjiagang Production Base

At the 3rd meeting of the sixth session of the Board of Directors convened by the Company on 12 May 2023, the Board of Directors considered and approved the "Proposal on the Battery-grade Lithium Hydroxide Monohydrate Project with an Annual Capacity of 30,000 Tons and Signing of the Investment Agreement". It was agreed that the Company would construct a battery-grade lithium hydroxide production base in Zhangjiagang Free Trade Zone, Suzhou, Jiangsu Province, and the "Investment Agreement" was signed with Jiangsu Zhangjiagang Free Trade Zone Administrative Committee, pursuant to which, Chengdu Tianqi would inject capital into Suzhou Tianqi, which would make relevant project investment in Zhangjiagang Free Trade Zone. The proposed total investment in the project is approximately RMB3 billion, with the train I project having an annual capacity of 30,000 tons of battery-grade lithium hydroxide monohydrate, including battery grade lithium hydroxide monohydrate (main product) with annual capacity of 30,000 tons and anhydrous sodium sulfate (by-product) with annual capacity of 60,000 tons. The total investment of the train I project will not exceed RMB2 billion (including the amount for land acquisition and reserved land construction, subject to the amount in the final feasibility study report), and will be self-raised. As of the date of this announcement, the project commenced construction and the train I project is expected to be completed in two years.

10. 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 former 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 in the consolidated statements of the Company. As of 27 October 2023, the transaction has been completed. In addition, Shenghe Lithium has obtained the filing of the Tebaigou tailings storage facility project of Cuola Spodumene Mine by the Yajiang County Development and Reform Bureau on 9 January 2024. On 18 March 2024, Shenghe Lithium entered into the "Agreement on Co-construction and Sharing of the 220kV Power Transmission and Transformation Project of the Jiajika Mine Area" in Chengdu with Yajiang Sinuowei Mining Development Co., Ltd. (雅江縣斯諾威礦業發展有限公司) and Yajiang Huirong Mining Co., Ltd. (雅江縣惠絨礦業有限責任公司). The three parties were going to jointly establish a joint venture company, which will invest in the construction of the 220kV power transmission and transformation project to meet the electricity needs of all parties.

11. External investment in new energy vehicles by the wholly-owned subsidiary of the Company and participation in the series A equity financing of SM

In line with the development strategy, the Company held the fifth meeting of the sixth session of the Board of Directors on 13 July 2023 to consider and approve 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, intended to participate in the Series A equity financing of SM by means of subscribing for the newly registered capital, and to sign the "Share Subscription Agreement" (the "**Subscription Agreement"**) with SM. According to the Subscription Agreement, the Company planned 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 signed the "Share Subscription Agreement" with SM in Chengdu and signed the "Strategic Cooperation Agreements" and the "Memorandum of Understanding" with Geely Holding Group and Mercedes-Benz Group AG on the same day as to jointly explore new growth opportunities and bring more innovation and development to the new energy sector. The Strategic Cooperation Agreements and the Memorandum of Understanding are intent documents, some of the terms are not legally binding and will not have significant impact on the Company's current and future operation results. There is uncertainty as to whether the relevant intention content can be implemented and what specific content is to be implemented. Investors are advised to invest rationally and pay attention to the investment risks. As of the date of this announcement, the transaction in relation to the investment and share subscription of SM by the Company has been completed.

12. Talison, the wholly-owned subsidiary of the Company's controlling subsidiary, Windfield, sold its salt lake assets in Chile

Previously, Talison, a wholly-owned subsidiary of the Company's controlling subsidiary Windfield, established a joint venture SALA with San Antonio Sociedad Contractual Minera in Chile on a 50:50 basis through the Chilean shareholding platform SLI. SALA held 100% equity in Salares 7 salt lake. The exploration and development work for the project has been temporarily suspended.

In 2022, both of the shareholders of SALA, the joint venture, collectively decided to sell the salt lake assets. Through negotiations with the other shareholder of the joint venture and by open bidding, Windfield's board of directors approved the sale of the entire equity in Salares 7 salt lake to Eramet Group for US$95 million on 10 November 2023. Following further negotiations, Eramet Group agreed to pay an additional US$10 million to the shareholders of the joint venture upon obtaining lithium resource mining rights from the Chile government, bringing the total transaction amount to US$105 million. Talison was entitled to receive 50% of this transaction amount according to its 50% shareholding in the joint venture.

EVENTS AFTER THE END OF THE REPORTING PERIOD

After 31 December 2023, the Group does not have any major subsequent events.

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 of 31 December 2023:

Unit: HK$ million

Proposed use of proceeds	Planned use of the net proceeds	Utilized net proceeds as of 31 December 2023	Utilized net proceeds during the Reporting Period	Balance as of 31 December 2023	Expected timeline of use of proceeds
Repay the outstanding balance of the SQM Indebtedness	8,865	8,865	0	0	
Fund the construction of Phase I of the Anju Plant	1,170	1,002	638.29	168	From January 2024 to June 2024
Repay certain PRC domestic bank loans	1,721	1,721	0	0	
Working capital and general corporate purposes	1,306	1,306	0	0	
Total	13,062	12,894	638.29	168	

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is firmly committed to achieving and maintaining high overall levels 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 C1 to the Listing Rules during the year ended 31 December 2023.

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

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any listed securities of the Company during the Reporting Period.

REVIEW OF THE 2023 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 Guoqiong, Mr. Xiang Chuan and Ms. Huang Wei. Ms. Tang Guoqiong 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 2023 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 2023 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 2023 AGM of the Company will be held on Tuesday, 28 May 2024. 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 (if applicable). 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 and Executive Director

Chengdu, the PRC
27 March 2024

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, and Mr. Xiang Chuan, Ms. Tang Guoqiong, Ms. Huang Wei and Ms. Wu Changhua as independent non-executive Directors.

"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
"Articles of Association"	the Articles of Association of Tianqi Lithium Corporation
"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
"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 controlling 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 C1 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"	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 held through Chengdu Tianqi
"LCE"	lithium carbonate equivalent, a unit of measurement for lithium
"Ministry of Finance"	the Ministry of Finance of the PRC
"Ministry of Industry and Information Technology" or "MIIT"	the Ministry of Industry and Information Technology of the PRC
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
"PRC" or "China"	the People's Republic of China
"Reporting Period"	the year ended 31 December 2023
"RMB"	Renminbi, the lawful currency of the PRC
"SALA"	Salares de Atacama Sociedad Contractual Minera, a company with essential salt lake assets in Chile, in which SLI holds 50% equity interest
"Salares 7"	a salt lake asset controlled by SALA, a joint venture, in which SALA holds 100% equity interest
"San Antonio Sociedad Contractual Minera"	the other shareholder of the joint venture SALA, who holds 50% equity interest in SALA
"SEHK" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"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 controlled subsidiary of the Company, in which the Company holds 39.2% equity interest, Shehong Tianqi holds 40.8% equity interest with the remaining 20% equity interest held by Zijin Lithium (Hainan) Co., Ltd. (紫金鋰業(海南)有限公司) as at the date of the announcement
"SLI"	Inversiones SLI Chile Limitada, a wholly-owned subsidiary of Talison
"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 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 2023
"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 held through Chengdu 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.