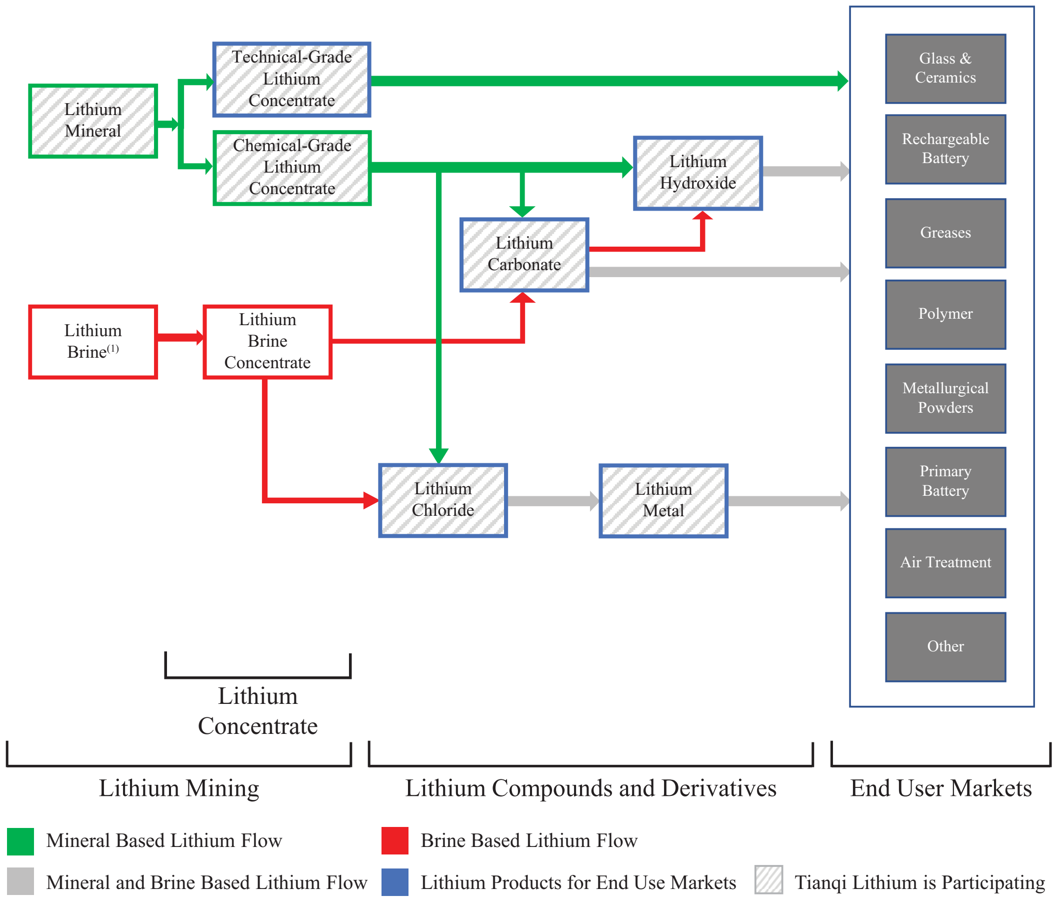
This summary aims to give you an overview of the information contained in this Prospectus. As it is a summary, it does not contain all the information that may be important to you and is qualified by its entirety by, and should be read in conjunction with, the full text of this Prospectus. You should read this Prospectus in its entirety before you decide to invest in the Offer Shares.

There are risks associated with any investment in the Offer Shares. We set out some of the particular risks in investing in the Offer Shares in the section headed "Risk Factors." You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a leading lithium producer in China and globally, and have been listed on the Shenzhen Stock Exchange since August 31, 2010 (stock code: 002466). We own and mine lithium minerals in Australia and produce lithium compounds and derivatives in China. We have not conducted any mining activities in China during the Track Record Period. One of our subsidiaries is the largest mined lithium operator globally in terms of lithium concentrate output in 2021, with a market share of 38%, and we ranked third in terms of revenue generated from lithium in 2021, according to the Wood Mackenzie Report. We are also the world's fourth largest and Asia's second largest lithium compound producer as measured by production output in 2021, with a market share of 7% and 12%, respectively, according to the same source. We are well-positioned to capitalize on the new energy revolution globally, particularly in the EV and energy storage sectors. We are the only lithium producer in China that has achieved 100% self-sufficiency and fully vertically integrated lithium mines through a large, consistent and stable supply of lithium concentrates, according to the Wood Mackenzie Report. We operate in critical stages of the lithium value chain, including (i) mining of lithium ore and manufacturing of lithium concentrate, and (ii) manufacturing of lithium compounds and derivatives. By leveraging the high-quality and low-cost lithium concentrate from the Greenbushes Mine, we are able to achieve self-sufficiency in lithium raw materials for efficient manufacturing of high-quality lithium compounds and derivatives. The diagram below illustrates our integrated business model and the interconnections between our production processes.



Note:

(1) We gain exposure through our equity investment in SQM.

Our products are primarily divided into two categories, (i) lithium concentrate products and (ii) lithium compounds and derivatives products. Lithium concentrate products include chemical grade and technical grade lithium concentrate, whereas lithium compounds and derivatives products include lithium carbonate, lithium hydroxide, lithium chloride and lithium metal. Our products are widely used in a number of end markets, mainly including EV, energy storage system, aircraft, ceramics and glass. We are a market leader in a number of products globally. For example, according to the Wood Mackenzie Report, we are the world's second largest supplier of battery-grade lithium carbonate, and the world's top ten supplier in battery-grade lithium hydroxide, as measured by production in 2021.

Our Business Segments

Our revenue are generated from two business segments, namely (i) sales of lithium compounds and derivatives and (ii) sales of lithium concentrates. The following table sets forth a breakdown of our total revenue by business segments, each expressed in an absolute amount and as a percentage of our total revenue, for the periods indicated:

	For the year ended December 31,					
	2019		2020		2021	
	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentage)					
Sales of lithium compounds and derivatives	2,902.3	60.3	1,735.3	54.0	4,960.2	65.3
Sales of lithium concentrates	1,914.1	39.7	1,479.9	46.0	2,637.7	34.7
Total Revenue	**4,816.4**	**100.0**	**3,215.2**	**100.0**	**7,597.9**	**100.0**

The following table sets forth a breakdown of our revenue from manufacturing and sales of lithium compounds and derivatives by product type, each expressed as an absolute amount and as a percentage of our total revenue for the periods indicated:

	For the year ended December 31,					
	2019		2020		2021	
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue
	(RMB in millions, except for percentage)					
Lithium carbonate	2,107.2	72.7	1,082.9	62.3	3,849.5	77.6
Lithium hydroxide	403.9	13.9	322.8	18.6	639.9	12.9
Lithium chloride[1]	33.1	1.1	53.2	3.1	82.5	1.7
Lithium metal	319.1	11.0	240.6	13.9	326.6	6.6
Others[2]	39.0	1.3	35.8	2.1	61.7	1.2
Total lithium compounds and derivatives	**2,902.3**	**100.0**	**1,735.3**	**100.0**	**4,960.2**	**100.0**

Notes:

(1) Majority of the lithium chloride we produced is consumed internally for manufacture of lithium metal.

(2) Others primarily include sodium sulfate, sodium hypochlorite and mineral ash and slag.

The following table sets forth a breakdown of our cost of sales by business segment, expressed as an absolute amount and as a percentage of our total cost of sales, for the periods indicated.

	For the year ended December 31,					
	2019		2020		2021	
	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentage)					
Sales of lithium compounds and derivatives	1,521.1	71.8	1,333.1	70.6	1,908.0	65.6
Sales of lithium concentrate	598.0	28.2	555.1	29.4	1,002.0	34.4
Total cost of sales	**2,119.1**	**100.0**	**1,888.2**	**100.0**	**2,910.0**	**100.0**

The following table sets forth a breakdown of our cost of sales attributable to our sales of lithium compounds and derivatives business by the type of cost incurred, expressed as an absolute amount and as a percentage of our production cost attributable to our sales of lithium compounds and derivatives business, for the periods indicated.

	For the year ended December 31,					
	2019		2020		2021	
	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentage)					
Lithium concentrate	577.1	38.5	425.4	35.3	693.6	37.1
Other raw materials	207.2	13.8	160.8	13.3	284.1	15.1
Utilities	243.7	16.3	203.7	16.9	220.2	11.7
Depreciation	157.3	10.5	161.2	13.4	159.4	8.5
Overhead	191.3	12.8	157.7	13.1	393.0	20.9
Labor	120.9	8.1	96.2	8.0	125.8	6.7
Total production cost attributable to production of lithium compounds and derivatives	**1,497.5**	**100.0**	**1,205.0**	**100.0**	**1,876.1**	**100.0**
Inventory movement	23.6		128.1		31.9	
Total cost of sales attributable to sales of lithium compounds and derivatives	**1,521.1**		**1,333.1**		**1,908.0**	

The following table sets forth a breakdown of our cost of sales attributable to our sales of lithium concentrate business by the type of cost incurred, expressed as an absolute amount and as a percentage of our production cost attributable to our sales of lithium concentrate business, for the periods indicated.

	For the year ended December 31,					
	2019		2020		2021	
	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentage)					
Processing	431.6	33.6	305.2	34.1	415.9	27.0
Mining	359.5	28.0	213.1	23.8	284.1	18.4
Royalties	203.2	15.8	84.1	9.4	388.4	25.2
Depreciation and amortization	126.6	9.9	156.1	17.5	255.5	16.6
Transportation	91.2	7.1	63.9	7.1	96.4	6.3
Mine administration	72.2	5.6	72.1	8.1	101.2	6.5
Total production cost attributable to sales of lithium concentrate	**1,284.3**	**100.0**	**894.5**	**100.0**	**1,541.5**	**100.0**
Shipping cost	143.2		53.2		172.2	
Inventory movement	(252.4)		32.8		(18.1)	
Less: Lithium concentrate used for lithium compounds and derivatives production	(577.1)		(425.4)		(693.6)	
Total cost of sales attributable to sales of lithium concentrate	**598.0**		**555.1**		**1,002.0**	

The following table sets forth a breakdown of our gross profit and gross profit margin by business segments, for the periods indicated:

	For the year ended December 31,					
	2019		2020		2021	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	(RMB in millions, except for percentage)					
Sales of lithium compounds and derivatives	1,381.2	47.6	402.2	23.2	3,052.2	61.5
Sales of lithium concentrates	1,316.1	68.8	924.8	62.5	1,635.7	62.0
Total Gross Profit	**2,697.3**	**56.0**	**1,327.0**	**41.3**	**4,687.9**	**61.7**

The following table sets forth our sales volume and average selling price of each business segment for the periods indicated.

	For the year ended December 31,					
	2019		2020		2021	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	(ton)	(RMB in thousands /ton)	(ton)	(RMB in thousands /ton)	(ton)	(RMB in thousands /ton)
Sales of lithium compounds and derivatives	40,847.9	71.0	35,701.0	48.6	47,710.9	104.0
Sales of lithium concentrates	345,506.9	5.5	352,746.8	4.2	551,190.0	4.8

The fluctuation in the sales volume of our lithium compounds and derivatives during the Track Record Period was primarily driven by adjustments to production volume and fluctuations in market demand. The average selling price of our lithium compounds and derivatives experienced significant volatility during the Track Record Period and up to the Latest Practicable Date. The fluctuation in the average selling price of our lithium compounds and derivatives during the Track Record Period was generally in line with the market prices that we used as benchmarks to price our own products. We do not have any hedging policy to hedge the risk of selling price volatility.

The sales volume of our lithium concentrates stayed relatively stable in 2019 and 2020. The sales volume of our lithium concentrates increased from 352,746.8 tons in the year ended December 31, 2020 to 551,190.0 tons in the year ended December 31, 2021, primarily due to increased orders from both shareholders of Windfield, which was in turn driven by increased market demand for lithium products. The average selling price of our lithium concentrates during the Track Record Period was generally in line with the market prices that we used as benchmarks to price our own products during the same period.

Our Lithium Resources Assets

We currently own two lithium resources assets, namely the Greenbushes Mine in Australia and the Yajiang Cuola Mine in China. The Greenbushes Mine is currently in operation, and the Yajiang Cuola Mine lithium resources asset is held for future development. As of the Latest Practicable Date, we held a total of 18 valid mining and related ancillary permits and licenses in China and Australia, collectively covering a total area of 10,336.7 hectares. In addition, we held an exploration license which covers an area of two blocks (one block = one graticule which is one minute of latitude by one minute of longitude). See “Business—Our Mining Permits” for more information. The following table sets forth our ownership percentages in the two mines and their respective acquisition time, locations, lithium resources or reserves amounts and grades as of December 31, 2021, according to the BDA Report.

Assets	Ownership	Acquisition time	Location	Type	Resources					Reserves			
					Measured (Mt LCE)[7]	Indicated (Mt LCE)[7]	Inferred (Mt LCE)[7]	Total (Mt LCE)[7]	Grade (lithium oxide)	Proved (Mt LCE)[8]	Probable (Mt LCE)[8]	Total (Mt LCE)[8]	Grade (lithium oxide)
Greenbushes Mine	26.01%[1]	May 2014	Greenbushes, Australia	Spodumene									
—Central Lode and Kapanga					0.04	10.3	2.7	13.1	1.6%[4]	0.04	8.2	8.3	2.0%[5]
—TSF1					—	0.5	0.1	0.6	1.3%[4]	—	0.4	0.4	1.4%[5]
Yajiang Cuola Mine	100%[2]	October 2008	Cuola, Yajiang, PRC	Spodumene	—	0.5	0.2	0.6	1.3%[6]	—[3]	—[3]	—[3]	—[3]

Notes:

(1) As of the Latest Practicable Date, we held a 51% equity interest in TLEA, which owned 51% of equity interest in Windfield. Talison is a wholly owned subsidiary of Windfield, and owns 100% equity interest in and holds the lithium mining titles at the Greenbushes Mine.

(2) We owned 100% equity interest in Yajiang Cuola Mine through our wholly owned subsidiary, Shenghe Lithium, as of the Latest Practicable Date.

(3) As of December 31, 2021, the lithium reserves were considered not defined for the Yajiang Cuola Mine under the JORC standards, according to the BDA Report.

(4) Lithium oxide grade for measured resources, indicated resources and inferred resources in the Central Lode and Kapanga were 3.2%, 1.8% and 1.0%, respectively, as of December 31, 2021. Lithium oxide grade for the indicated resources in the enriched zone and inferred resources in depleted zone of TSF1 were 1.5% and 0.8%, respectively, as of December 31, 2021.

(5) Lithium oxide grade for proven ore reserves and probable ore reserves in the Central Lode and Kapanga were 3.2% and 2.0%, respectively, as of December 31, 2021. Lithium oxide grade for probable reserves in the TSF1 was 1.4%, as of December 31, 2021.

(6) Lithium oxide grade for indicated resource and inferred resource of Yajiang Cuola Mine were 1.3% and 1.3%, respectively, as of December 31, 2021.

(7) Resources in the Central Lode and Kapanga areas of the Greenbushes Mine were based on a cut-off grade of 0.5% lithium oxide. Resources in TSF1 of the Greenbushes Mine were based on a cut-off grade of 0.7% lithium oxide. Resources in the Yajiang Cuola Mine were based on a cut-off grade of 0.5% lithium oxide. The cut-off grades on which our resources are based are in accordance with industry standard commonly used by experts for the same type of mines as the Greenbushes Mine and Yajiang Cuola Mine.

(8) Reserves in the Central Lode and Kapanga of the Greenbushes Mine were based on a block cut-off grade of 0.7% lithium oxide. Reserves in TSF1 of the Greenbushes Mine were based on a cut-off grade of 0.7% lithium oxide. The cut-off grades on which our reserves are based are in accordance with industry standards commonly used by experts for the same type of mine as the Greenbushes Mine.

Greenbushes Mine

We hold the lithium mining rights at the Greenbushes Mine through Talison. As of the Latest Practicable Date, we relied on the Greenbushes Mine for all of our lithium concentrate production and supply of lithium raw materials.

With respect to the holding structure, as of the Latest Practicable Date, we held a 51% equity interest in TLEA, with the remaining 49% owned by IGO, a leading mining and exploration company listed on the Australian Securities Exchange. TLEA in turn owned 51% of equity interest in Windfield, with the remaining 49% owned by RT Lithium, an Independent Third Party save for its shareholding in Windfield. Talison is a wholly owned subsidiary of Windfield, and thus we indirectly hold a 26.01% equity interest in Talison.

The Greenbushes Mine was the world’s largest hard rock mine as measured by production volume and the size of reserves in 2021, according to the Wood Mackenzie Report. The Greenbushes Mine was also the lowest cost large-scale lithium mine in 2021, according to the Wood Mackenzie Report. The Greenbushes Mine is located in Greenbushes, approximately 250km south of Perth and

90km southeast of the port of Bunbury, Western Australia, a major bulk-handling port in the southwest of Western Australia.

According to the BDA Report, as of December 31, 2021, the remaining LoM of the Greenbushes Mine was estimated to be approximately 21 years based on the ore reserves on December 31, 2021, taking into consideration the expansion projects currently undertaken, planned and considered. The Greenbushes Mining Titles are subject to certain mining mortgages and caveats in relation to a corporate loan borrowed by our Australian subsidiaries.

The expiry dates of our mining leases for the Greenbushes Mine range from December 27, 2026 to September 27, 2036. Upon the expiry of current terms of our mining leases, the Western Australian Minister for Mines and Petroleum (the "**Minister**") will have the discretion to extend the leases for further periods (no more than 21 years each) subject to our compliance with the conditions in the leases. Although the Minister has the discretion to extend the term, their decision must be exercised reasonably. Furthermore, in March 2022, the Western Australian Department of Mines indicated in its discussions with us that the Minister will consider (i) whether the mining leases are in good standing and (ii) if the mining lease holder has been in compliance with the conditions when examining and considering the application for renewal. General conditions mainly include (i) requirements to incur expenditure on the mining leases in excess of a minimum amount per year; (ii) rehabilitation obligations in relation to disturbance to the land the subject of mining operations; (iii) an obligation to pay an annual rental fee; (iv) compliance with specified legislation relevant to the conducting of mining operations; (v) payment of royalties in accordance with the Mining Act 1978 (WA); and (vi) submitting annual reports in relation to project operations, environmental management and rehabilitation work. The expiry date of our exploration license is March 7, 2026. Upon the expiry of the current term of our exploration license, the Minister for Mines and Petroleum will have the discretion to extend the license for a term of five years and any subsequent renewal terms of two years if the Minister is satisfied that the exploration license is in good standing and a prescribed ground for extension of the exploration license exists. The prescribed grounds to renew an exploration license include (i) where an exploration program could not be completed or undertaken in certain circumstances; (ii) the land has been unworkable; or (iii) work already carried out justifies further exploration. If the Minister is satisfied that one or more of these grounds are met at the time of the renewal application, the term of the exploration licence will be renewed.

After due and careful review, the Directors are of the view that they do not foresee material obstacles for the extension of the mining leases of the Greenbushes Mine when renewals are required on the following basis: (i) as a common practice, if mining leases are in good standing, the Minister will generally grant an extension, and the Mining Titles Online Register maintained by the Western Australian Department of Mines indicated that all the mining leases held in connection with the Greenbushes Mine were in good standing in May 2022; and (ii) the Australian Legal Advisor is of the view that, to the best of its knowledge and subject to the mining leases being in good standing and there being appropriate grounds at the time for the relevant tenements to be renewed, there is no material legal impediment that would prevent the Company from being granted renewals of the mining leases. After due and careful review, the Directors are of the view that they do not foresee material obstacles for the extension of the exploration license of the Greenbushes Mine when renewals are required on the following basis: (i) as a common practice, if the exploration license is in good standing, the Minister will generally grant an extension, and the Mining Titles Online Register maintained by the Western Australian Department of Mines indicated that the exploration license held in connection with the Greenbushes Mine was in good standing in May 2022; (ii) to the best knowledge of the Directors, substantive work has been carried out in the Greenbushes Mine under the exploration license, which in the Directors' view may justify further exploration; and (iii) the Australian Legal Advisor is of the view that, to the best of its knowledge and subject to the exploration license being in good standing and there being appropriate grounds at the time for the relevant tenements to be renewed, there is no material legal impediment that would prevent the Company from being granted renewal of the exploration license. For more information about the relevant risks relating to the extension of the mining leases and the exploration license, see "Risk Factors—Risks Relating to Our Business—We currently rely on the Greenbushes Mine for all of our lithium concentrate production and supply of lithium raw materials and we are exposed to risks and uncertainties in relation to this mine" and "Risk Factors—Risks Relating to Our Business—Failure to obtain or maintain required government permits, licenses and approvals for our mining and exploration activities or renewals thereof could materially and adversely affect our business, results of operations, financial position and growth prospects."

We are currently consulting with the ATO in respect of the tax treatment of the IGO Transaction to obtain certainty of the tax outcome. As this engagement process is in its early stages, the timeline for the conclusion of the ATO engagement is uncertain and outside of our control. After consulting with our tax advisor who is qualified to advise on the compliance status and the potential tax liability in relation to the IGO Transaction, we are of the view that (i) there has been no non-compliance with Australian tax laws as of the Latest Practicable Date in connection with the IGO Transaction, as no tax lodgments have been made for the year in which the IGO Transaction occurred and the application of Part IVA is at the discretion of the ATO, which has not been exercised as of the Latest Practicable Date, and (ii) if the ATO were to exercise its discretion to apply Part IVA, this would not result in non-compliance, and the assessed total tax liability could be up to A$167 million (before penalties and interest) based on what is considered to be the most likely counterfactual if Part IVA were to apply as of the Latest Practicable Date.

In addition, there have been heightened tensions in international economic relations recently, such as between China and Australia. As of the Latest Practicable Date, there had been no restrictions in China that materially and adversely affect the import of lithium raw materials from Australia, and as of the Latest Practical Date, we had not experienced any mining or trading restrictions on the lithium products that would have a material impact on our results of operations or financial condition. See "Risk Factors—Risks Relating To Our Business—Tensions in international economic relations, in particular between the U.S. and China and between Australia and China, respectively, may have an adverse effect on our business, financial condition and results of operation."

Yajiang Cuola Mine

We hold 100% equity interest in the Yajiang Cuola Mine through our wholly-owned subsidiary, Shenghe Lithium, and have obtained the mining license for the spodumene deposits in the Yajiang Cuola Mine in April 2012. According to the BDA Report, the Yajiang Cuola Mine is part of the larger Jiajika lithium mineralization district, which is believed to be the largest hard rock lithium mineralization district in China and Asia. The Yajiang Cuola Mine had approximately 632,000 tons LCE of lithium resources as of December 31, 2021, according to the BDA Report. Currently, we hold the Yajiang Cuola Mine as an important lithium asset for future development. Our mining license is valid until 2032 and is renewable subject to certain conditions. After due and careful review, the Directors are of the view that they do not foresee material obstacles for the renewal of the mining permit of the Yajiang Cuola Mine on the following basis: (i) the current term of the mining permit will not expire until 2032; (ii) the Company is able to fulfill the substantive conditions prescribed under the currently effective rules and regulations in all material respects, such as the full payment of prescribed fees, and the Directors do not foresee material obstacles to satisfy the procedural conditions thereunder, including the timely completion of prescribed renewal application; (iii) the Company closely monitors the legislative and regulatory development, so as to ensure that it could always meet the major renewal requirements; and (iv) the PRC Legal Advisor is of the view that, subject to the fulfillment of prescribed conditions, there is no material legal impediment that would prevent the Company from renewing the permit.

All the lithium operations in the Jiajika District, including the construction of our Yajiang Cuola Mine, were suspended by the Department of Land and Resources of Ganzi Prefecture in October 2013, due to an alleged environmental incident related to a neighboring mine owned and constructed by a third party. The People's Government of Ganzi Tibetan Autonomous Prefecture published a regulatory guidance relating to the construction recommencement in a press release in 2019, which provided policy guidance for our business development in Ganzi, in particular, in relation to our development and construction at Yajiang Cuola Mine. We are conducting a feasibility study of recommencing the development and production of the Yajiang Cuola Mine, and expect to complete the feasibility study in the second half of 2022. We had spent approximately RMB150 million on the Yajiang Cuola Mine for cost incurred for mining rights and capital expenditure incurred for construction as of the Latest Practicable Date. We expect the construction will resume in the second half of 2022 and complete in 2025. We do not foresee any material impediments for recommencing the development and production pursuant to the regulatory guidance relating to the construction recommencement published in a press release by the People's Government of Ganzi Tibetan Autonomous Prefecture in 2019. See "Risk Factors—Risks Relating to Our Business—The development of our Yajiang Cuola Mine is currently on hold and we cannot assure you that the development of our Yajiang Cuola Mine will resume in the near future."

Mining, Exploration and Other Related Ancillary Permits

The following table sets forth details of our mining, exploration and other related ancillary permits as of the Latest Practicable Date:

Mines	Permit Type	Permit Holder (interest)	Area (hectare)	Permitted annual production volume (million tons)	Permit Number	Issuance Date	Expiry Date	Status
Greenbushes Mine	Mining Lease	Talison (100%)	968.9	—	M01/02	December 28, 1984	December 27, 2026	Valid
	Mining Lease	Talison (100%)	999.6	—	M01/03	December 28, 1984	December 27, 2026	Valid
	Mining Lease	Talison (100%)	998.9	—	M01/04	December 28, 1984	December 27, 2026	Valid
	Mining Lease	Talison (100%)	999.4	—	M01/05	December 28, 1984	December 27, 2026	Valid
	Mining Lease	Talison (100%)	984.1	—	M01/06	December 28, 1984	December 27, 2026	Valid
	Mining Lease	Talison (100%)	997.1	—	M01/07	December 28, 1984	December 27, 2026	Valid
	Mining Lease	Talison (100%)	999	—	M01/08	December 28, 1984	December 27, 2026	Valid
	Mining Lease	Talison (100%)	997.3	—	M01/09	December 28, 1984	December 27, 2026	Valid

Mines	Permit Type	Permit Holder (interest)	Area (hectare)	Permitted annual production volume (million tons)	Permit Number	Issuance Date	Expiry Date	Status
	Mining Lease	Talison (100%)	999.6	—	M01/10	December 28, 1984	December 27, 2026	Valid
	Mining Lease	Talison (100%)	998.9	—	M01/11	December 28, 1984	December 27, 2026	Valid
	Mining Lease	Talison (100%)	18	—	M01/16	June 6, 1986	June 5, 2028	Valid
	Mining Lease	Talison (100%)	3	—	M01/18	September 28, 1994	September 27, 2036	Valid
	Mining Lease	Talison (100%)	70.4	—	M70/765	June 20, 1994	June 19, 2036	Valid
	Miscellaneous License	Talison (100%)	9.3	—	L01/01	March 19, 1986	December 27, 2026	Valid
	Miscellaneous Licence	Talison (100%)	66.3	—	L70/232	April 21, 2022	April 20, 2043	Valid
	General Purpose Lease	Talison (100%)	10	—	G01/01	November 17, 1986	June 5, 2028	Valid
	General Purpose Lease	Talison (100%)	10	—	G01/04	April 21, 2022	April 20, 2043	Valid
	Exploration License	Talison (100%)	—	—	E 70/5540	March 8, 2021	March 7, 2026	Valid
	General Purpose Lease (pending)	Talison (100%)	15.1	—	G70/267	—	—	Pending
	General Purpose Lease (pending)	Talison (100%)	32.1	—	G70/268	—	—	Pending
	Prospecting License (pending)	Talison (100%)	9.3	—	P 01/2	—	—	Pending
Yajiang Cuola Mine	Certificate of Mining	Shenghe Lithium (100%)	206.9	1.2	C5100002012045210124005	April 6, 2012	April 6, 2032	Valid

For more details of our mining licenses and permits, see "Business—Our Mining Permits."

The following table sets forth the operating cash costs of the Greenbushes Mine for the periods indicated, according to the BDA Report:

Unit Operating Costs	For the year ended December 31, 2019	2020	2021
	(A$/t spodumene concentrate)		
Mining cost	103.5	113.7	82.5
Processing cost	116.3	104.1	96.6
General and administrative cost	19.5	25.1	22.0
Total Site Operating Cost[(1)]	**239.3**	**243.0**	**201.1**
Product transportation and marketing cost	24.6	22.3	21.0
Royalty	54.8	29.3	84.5
Total Operating Cash Cost	**318.6**	**294.5**	**306.5**

Note:

(1) The unit site operating costs increased by 2% in 2020, primarily because we reduced our production in 2020 in response to lithium market downturn and thus the unit fixed costs were higher. The unit site operating costs decreased in 2021, mainly because our production increased by over 60% in 2021 and thereby the unit fixed costs were lower.

Our Lithium Concentrate Processing Plants

The Greenbushes Mine has three plants for the processing of lithium ore into lithium concentrates, which are located adjacent to the open pit mining operation. The three plants, namely the Technical-Grade Plant ("**TGP**"), the Chemical-Grade Plant No. 1 ("**CGP1**") and the Chemical-Grade Plant No. 2 ("**CGP2**"), produce lithium concentrates containing a range of grades with varying iron impurity levels. Low iron technical-grade concentrates are produced at the TGP, and chemical-grade concentrates which contain higher levels of iron are produced at CGP1 and CGP2. Talison has completed commissioning of CGP2 and its associated crusher, CR2, which is in the ramp up stage. Total spodumene concentrate production capacity is expected to be approximately 1.34 million tons per annum on completion of the CGP2 ramp up and yield improvements, according to the BDA Report. CGP2 is expected to reach full production by the fourth quarter of 2022. For the year ended December 31, 2021, CGP1 processed around 1.83 million tons of ore, CGP2 processed around 1.39 million tons of ore, and the TGP processed around 0.35 million tons of ore, with total production of 0.95 million tons of technical- and chemical-grade concentrates, according to the BDA Report. The following table sets forth a summary of effective processing capacity and utilization rates for our processing plants at the Greenbushes Mine during the Track Record Period.

	For the year ended December 31,					
	2019		2020		2021	
	Effective Processing Capacity(1)	Utilization Rate(2)	Effective Processing Capacity(1)	Utilization Rate(2)	Effective Processing Capacity(1)	Utilization Rate(2)
	(tons of ore)	%	(tons of ore)	%	(tons of ore)	%
TGP	374,000	100	374,000	62	374,000	95
CGP1	1,820,000	91	1,820,000	77	1,820,000	101
CGP2	800,000	47	800,000	35	1,600,000	87

Notes:

(1) The effective processing capacity represents the average of each month's designed processing capacity multiplied by the number of months in actual processing.

(2) The utilization rate is calculated based on the actual output for the relevant period divided by the effective processing capacity for the relevant period.

Our Lithium Compounds and Derivatives Manufacturing Plants

We operate three lithium compounds and derivatives manufacturing plants in China, which are located in Shehong, Zhangjiagang and Tongliang. Located in Sichuan province, our Shehong Plant processes lithium concentrates supplied by the Greenbushes Mine to produce a variety of lithium compounds, predominantly lithium carbonate with smaller volumes of lithium hydroxides lithium chloride and lithium metal. As of the Latest Practicable Date, we had upgraded a number of production technologies and techniques at Shehong Plant, including the automation modification of production line, improvement of production techniques of lithium carbonate and lithium chloride, as well as improvements in environmental protection facilities, in order to increase our production capacity and production efficiency. Located in Jiangsu province, our Zhangjiagang Plant was the only fully-automated battery-grade lithium carbonate manufacturing plant in operation in the world, as of the Latest Practicable Date, according to the Wood Mackenzie Report. As of the Latest Practicable Date, we had upgraded a number of production technologies and techniques at Zhangjiagang Plant, including the optimization of utilization of raw materials as well as improvement of environment protection facilities, in order to increase our production capacity and production efficiency. Located in Chongqing, our Tongliang Plant focuses on the production of lithium metal products. As of the Latest Practicable Date, we were conducting comprehensive upgrades of our Tongliang Plant, including establishing the world's first lithium metal automatic production line designed to produce lithium metal products, and improving environmental protection facilities and production techniques. We have maintained consistently high utilization rates during the Track Record Period. The following table sets forth a summary of our annual effective production capacity and utilization rates for our manufacturing plants for the periods indicated.

	For the year ended December 31,					
	2019		2020		2021	
	Effective Production Capacity(1)	Utilization Rate(2)	Effective Production Capacity(1)	Utilization Rate(2)	Effective Production Capacity(1)	Utilization Rate(2)
	(tons)	%	(tons)	%	(tons)	%
Shehong Plant	24,200	102	24,200	81	24,200	99
Zhangjiagang Plant	18,500	100	20,000	90	20,000	96
Tongliang Plant	600	84	600	76	600	84

Notes:

(1) The effective production capacity represents the average of each month's designed production capacity multiplied by the number of months in actual production. The effective production capacity is measured in tons.

(2) The utilization rate is calculated based on the actual output for the relevant period divided by the effective production capacity for the relevant period.

Our Industry and Market

The supply of mined lithium is dominated by five producers, with an aggregate market share of approximately 85% in terms of output in 2021, among which Albemarle, SQM, Ganfeng and our Company are the key players, according to the Wood Mackenzie Report. These four companies accounted for approximately 50% of the global supply of the refined lithium products, which include lithium compounds and lithium metal, in 2021, according to the Wood Mackenzie Report. According to the Wood Mackenzie Report, these four companies were also the top four lithium compound producers and we were the world's fourth largest and Asia's second largest lithium compound producer in 2021. For battery-grade lithium carbonate, the major producers include Albemarle, our Company, SQM, Nanshi Group and Ganfeng, with an aggregate market share of around 57% as measured by output in 2021, according to the Wood Mackenzie Report. For battery-grade lithium hydroxide products, the market is becoming increasingly competitive due to the increase in demand since 2015, and we are one of the world's top ten suppliers of battery-grade lithium hydroxide in terms of production output in 2021, according to the same source.

Through our subsidiary Talison, we hold lithium mining rights at the Greenbushes Mine, which was the largest lithium mining operation in the world as measured by spodumene concentrate output in 2021 and accounted for approximately 38% of the global lithium mining output in 2021, according to the Wood Mackenzie Report. We are the only producer in China that has achieved 100% self-sufficiency and fully vertically integrated lithium mines through a large, consistent and stable supply of lithium concentrates.

A number of entry barriers to the global lithium industry need to be considered. According to the Wood Mackenzie Report, key barriers to entry for companies in the lithium mining industry include high capital requirements, long development process, technological know-how, scarcity of quality resources, increasingly stringent environmental, social and corporate governance standards and political and environmental factors.

The global annual lithium demand is expected to increase at a CAGR of 15.4% from 2022 to 2026, reaching a total of 1.07 million tons LCE in 2026, according to the Wood Mackenzie Report. In particular, lithium demand from lithium-ion batteries for use as EV rechargeable batteries, one of our key end-markets, is estimated to grow at a CAGR of 21.2% from 2022 to 2026, reaching a total of 675.4 thousand tons LCE in 2026, according to the Wood Mackenzie Report. In addition, along with the global energy transition and "carbon neutrality" goals, energy storage system will also be one of the fastest growing end markets for the lithium industry in the next ten years. According to the Wood Mackenzie Report, the lithium demand for energy storage system is expected to grow at a CAGR of 11.6% from 2022 to 2026, reaching 59.0 thousand tons LCE by 2026. By leveraging our self-sufficiency in high-quality lithium raw materials, diversified product portfolio and advanced production capabilities, we are able to keep in step with the latest market developments and technological breakthroughs in the lithium-based new energy sectors.

Our Products and Customers

We sell our technical-grade lithium concentrates primarily to Albemarle Germany, an indirect shareholder of Talison through Windfield, and companies engaged in the glass, ceramics and porcelain industries, and our chemical-grade lithium concentrates primarily to Albemarle Germany. Our key customers for lithium compounds include battery material producers, glass production companies, manufacturers of pharmaceutical intermediaries and manufacturers of alloys for use in aircrafts. Our battery-grade lithium compound products accounted for 70.6%, 67.2% and 84.3% of our total revenue generated from the sales of lithium compounds and derivatives in 2019, 2020 and 2021, respectively. We expect that our sales will continue to be driven by the demand in the end markets we serve.

We have a stable customer base consisting of top-tier battery material manufacturers, multinational electronics companies and global glass producers. Our products are supplied to three of the five largest manufacturers of large-cell lithium-ion batteries in the world, as well as six of the ten largest cathode manufacturers in the world as measured by market share in 2021, according to the Wood Mackenzie Report. Certain of these customers were among our top ten customers during the Track Record Period. Please see "Business—Sales and Marketing—Customers" in this Prospectus for more information.

In 2019, 2020 and 2021, revenue generated from our largest customer, Albemarle and its related entities, amounted to RMB1,321.7 million, RMB1,041.1 million and RMB1,350.5 million, respectively, representing 27.4%, 32.4% and 17.8% of our total revenue, respectively. During the same periods, revenue generated from our five largest customers amounted to RMB2,456.4 million, RMB1,821.5 million and RMB3,781.7 million, respectively, representing 51.0%, 56.7% and 49.8% of our total revenue, respectively.

Our Suppliers and Contractors

We use suppliers and contractors to procure a wide range of goods and services, including utilities, energy, raw materials, mining operation services, construction services and other ancillary goods and services. For the years ended December 31, 2019, 2020 and 2021, purchases from our largest supplier amounted to RMB2,329.7 million, RMB225.4 million and RMB262.6 million, representing 41.9%, 9.9% and 8.6% of the total amount of purchases from our suppliers and contractors. During the same periods, purchases from our five largest suppliers and contractors amounted to RMB2,981.9 million, RMB635.5 million and RMB772.4 million, respectively, representing 53.7%, 28.1% and 25.2% of our total purchases, respectively. Please see "Business—Suppliers and Contractors" in this Prospectus for more information.

Our Research and Development Capabilities

As of the Latest Practicable Date, we had assembled a team of 38 employees in our research and development department in China and Australia dedicated to product development and technology advancement. Our core team comprises a group of experts with advanced degrees and extensive experience in materials engineering, inorganic chemistry, chemical engineering, metallurgy and other scientific fields essential to the research and development of lithium products. We encourage open and constructive competition internally and pursue merit-based appointment of leaders for our research and development projects. Our research and development teams are located in Chengdu, Shehong, Zhangjiagang, Tongliang and Western Australia.

Our research and development costs decreased from RMB48.4 million in 2019 to RMB24.3 million in 2020, primarily attributable to (i) a decrease in the employee benefit expense, and (ii) a decrease in fees and expense paid in connection with our commissioned research and development project, due to the suspension of the aluminium silicate treatment commissioned research and development project of the first stage of the lithium hydroxide processing plant at Kwinana, Western Australia ("**LHPP1**") in 2020 because of the shrinking demand in 2019 and 2020 during the lithium market downturn. Our research and development costs further decreased to RMB18.9 million in 2021, primarily attributable to the decreased amortization of intangible assets due to the disposal of some patent rights in Chongqing Tianqi.

We place great importance on the creation, application, management and protection of our intellectual property rights. Through research and development, we have obtained various intellectual property rights that are material to our business. As of the Latest Practicable Date, we had a total of 166 authorized patents. See "Business—Intellectual Property" for details.

OUR COMPETITIVE STRENGTHS

We believe that the following strengths will contribute to our growth and differentiate us from our competitors:

- Leading lithium producer in China and globally
- Optimally positioned to capitalize on the fast development of end markets, especially in the EV and energy storage sectors, and particularly in China
- Strategic exposure to two of the world's large-scale, low-cost and high-grade lithium resources, and strategic holdings in high-quality reserve lithium assets
- Our 100% lithium concentrate self-sufficiency, sizable capability to produce a variety of end-products with consistency and quality, and advanced production technologies give us a cost advantage that leads to operational efficiencies, security and higher profitability
- Established leader in the global lithium industry that has built a stable customer base and a critical partner in the supply chain of many key battery and EV OEMs around the world

OUR STRATEGIES

To solidify our leadership position in the lithium producing industry, we intend to pursue the following strategies:

- Expand our mining operations to support our future business growth
- Further enhance our production capacity for lithium compounds and derivatives and enrich product offerings
- Establish various strategic partnerships with leading companies in the upstream and downstream of the value chain to fully capture the latest opportunities
- Continue to expand our global business and develop our global customer base
- Reinforce our R&D capabilities, enhance our know-how of the lithium battery value chain, and improve our core competitiveness

RISK FACTORS

Our business and the Global Offering involve certain risks as set out in the section headed "Risk Factors." You should read that section in its entirety carefully before you decide to invest in our H Shares. Some of the major risks we face relate to (i) market fluctuations of lithium prices; (ii) our reliance on the Greenbushes Mine; (iii) tension in international economic relations; (iv) net losses incurred in the past; (v) our indebtedness, particularly the substantial SQM Indebtedness which may decrease our business flexibility and adversely impact our financial results, and other financial risks; (vi) the market forces in the lithium industry, including the current and expected supply and demand dynamics of lithium; (vii) competition in the lithium industry; (viii) operational risks associated with our mining and production businesses; and (ix) new legislations or changes in the PRC regulatory requirements regarding the end markets of our products.

LISTING OF OUR A SHARES

We have been listed on the Shenzhen Stock Exchange since August 31, 2010 (stock code: 002466). As of the Latest Practicable Date, we had 1,477,099,383 A Shares in issue, all of which were listed and traded on the Shenzhen Stock Exchange.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables set forth the summary consolidated financial information of our Group. We have derived the consolidated financial information for the years ended December 31, 2019, 2020 and 2021 as set forth in the Accountants' Report in Appendix I to this Prospectus. The summary consolidated financial information should be read together with, and is qualified in its entirety by reference to, the consolidated financial information as set forth in the Accountants' Report in Appendix I to this Prospectus, including the related notes.

Our consolidated financial information was prepared in accordance with IFRSs.

Summary Consolidated Statements of Profit or Loss

	For the year ended December 31		
	2019	2020	2021
	(RMB in millions)		
Revenue[1]	**4,816.4**	**3,215.2**	**7,597.9**
Cost of sales	(2,119.1)	(1,888.2)	(2,910.0)
Gross profit	**2,697.3**	**1,327.0**	**4,687.9**
Other net income/(loss)	350.5	(195.1)	478.6
Selling and distribution expenses	(22.5)	(20.5)	(20.5)
Administrative expenses	(432.7)	(414.7)	(478.1)
Research and development costs	(48.4)	(24.3)	(18.9)
(Provision)/reversal of impairment losses	(5,310.1)	(51.3)	1,652.4
(Loss)/Profit from operations	**(2,765.9)**	**621.1**	**6,301.4**
Finance costs	(2,045.5)	(1,835.6)	(1,474.8)
Share of profits less losses of associates	333.1	161.1	752.8
(Loss)/Profit before taxation	**(4,478.3)**	**(1,053.4)**	**5,579.4**
Income tax	(1,002.1)	(71.2)	(1,373.6)
(Loss)/Profit for the year	**(5,480.4)**	**(1,124.6)**	**4,205.8**
Attributable to:			
Equity shareholders of the Company	(5,981.4)	(1,830.9)	3,649.2
Non-controlling interests	501.0	706.3	556.6

Note:

(1) See "Summary—Overview—Our Business Segments" for a breakdown of our revenue by business segment.

The following table sets out a breakdown of our revenue by geographic region, each expressed as an absolute amount and as a percentage of our total revenue, for the periods indicated.

	For the year ended December 31,					
	2019		2020		2021	
	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentage)					
China	3,527.4	73.2	2,473.1	76.9	6,578.9	86.6
Overseas	1,289.0	26.8	742.1	23.1	1,019.0	13.4
Total revenue	**4,816.4**	**100.0**	**3,215.2**	**100.0**	**7,597.9**	**100.0**

The following table sets forth a breakdown of our cost of sales by geographic location, expressed as an absolute amount and as a percentage of our total cost of sales, for the periods indicated.

	For the year ended December 31,					
	2019		2020		2021	
	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentage)					
China	1,650.4	77.9	1,559.4	82.6	2,435.8	83.7
Overseas	468.7	22.1	328.8	17.4	474.2	16.3
Total cost of sales	**2,119.1**	**100.0**	**1,888.2**	**100.0**	**2,910.0**	**100.0**

The following table sets out a breakdown of our gross profit and gross profit margin by geographic location for the periods indicated.

	For the year ended December 31,					
	2019		2020		2021	
	Gross profit	Gross profit margin %	Gross profit	Gross profit margin %	Gross profit	Gross profit margin %
	(RMB in millions, except for percentage)					
China	1,877.0	53.2	913.7	36.9	4,143.1	63.0
Overseas	820.3	63.6	413.3	55.7	544.8	53.5
Total	**2,697.3**	**56.0**	**1,327.0**	**41.3**	**4,687.9**	**61.7**

Fluctuations in our gross profit margin attributable to China were primarily driven by fluctuations in the average selling price of our lithium compounds and derivatives products in China in line with prevailing market prices.

Gross profit margin attributable to sales to overseas decreased in 2020, primarily driven by decreases in the average selling price of our lithium concentrates in overseas markets in line with prevailing market prices. Gross profit margin attributable to sales to overseas further decreased to 53.5% in 2021, primarily driven by (i) slower increase in selling prices of our lithium compounds and derivatives sold under long-term contracts overseas which were less responsive to the market prices volatilities, as compared to faster increase of cost in sales attributable to overseas; and (ii) slower increase of selling price of our lithium concentrate overseas which was updated every six months, and this was offset by increased production cost.

Our net losses decreased to RMB1,124.6 million for the year ended December 31, 2020, mainly due to decreased impairment loss we recognized in connection with our shareholding in SQM in 2019. We incurred a net profit of RMB4,205.8 million for the year ended December 31, 2021, primarily driven by our increased revenue and gross profit margin and reversal of impairment losses for the same period in 2021.

Summary Consolidated Statements of Financial Position Data

The following table sets forth summary information from our consolidated statements of financial position as of the dates indicated, which has been extracted from the Accountants' Report in Appendix I to this Prospectus:

	As of December 31,		
	2019	2020	2021
	(RMB in millions)		
ASSET			
Non-current assets			
Property, plant and equipment	13,720.3	14,503.6	13,734.4
Intangible assets	165.0	131.3	118.8
Goodwill	416.1	416.1	416.1
Interests in associates	25,087.9	23,400.6	24,120.8
Interests in a joint venture	65.0	64.5	112.8
Financial assets measured at fair value	50.4	50.4	695.6
Derivative financial instruments	232.5	—	—
Deferred tax assets	524.9	866.5	115.6
Restricted deposits	11.8	12.1	11.2

	As of December 31,		
	2019	2020	2021
	(RMB in millions)		
Other non-current assets	0.8	0.8	22.6
Total non-current assets	**40,274.7**	**39,445.9**	**39,347.9**
Current assets			
Inventories	917.0	851.0	871.8
Trade and other receivables	1,024.4	891.8	3,369.5
Financial assets measured at fair value	10.0	—	—
Prepaid tax	12.1	117.0	235.3
Derivative financial instruments	0.3	—	—
Restricted deposits	496.3	193.8	209.8
Cash and cash equivalents	3,930.9	788.2	1,766.1
Total current assets	**6,391.0**	**2,841.8**	**6,452.5**
Total assets	**46,665.7**	**42,287.7**	**45,800.4**
LIABILITIES			
Current liabilities			
Trade and other payables	1,942.0	2,039.4	1,536.1
Derivative financial instruments	—	65.6	388.4
Contract liabilities	172.3	158.1	164.5
Bank loans and other borrowings	19,537.1	23,823.2	9,762.5
Lease liabilities	11.9	43.7	48.9
Deferred income	4.2	3.9	6.1
Current taxation	541.1	230.3	686.9
Total current liabilities	**22,208.6**	**26,364.2**	**12,593.4**
Net current liabilities	**(15,817.6)**	**(23,522.4)**	**(6,140.9)**
Total assets less current liabilities	**24,457.1**	**15,923.5**	**33,207.0**
Non-current liabilities			
Bank loans and other borrowings	14,326.0	6,329.4	11,800.2
Deferred income	71.0	70.1	66.5
Deferred tax liabilities	555.1	993.2	978.5
Lease liabilities	201.3	246.0	200.4
Derivative financial instruments	46.7	424.8	—
Provision	321.7	403.4	335.3
Other non-current liabilities	29.1	29.0	33.1
Total non-current liabilities	**15,550.9**	**8,495.9**	**13,414.0**
NET ASSETS	**8,906.2**	**7,427.6**	**19,793.0**
CAPITAL AND RESERVES			
Share capital	1,477.1	1,477.1	1,477.1
Reserves	5,482.7	3,724.3	12,880.0
Total equity attributable to equity shareholders of the Company	6,959.8	5,201.4	14,357.1
Non-controlling interests	1,946.4	2,226.2	5,435.9
TOTAL EQUITY	**8,906.2**	**7,427.6**	**19,793.0**

Our net assets decreased from RMB8,906.2 million as of December 31, 2019 to RMB7,427.6 million as of December 31, 2020, mainly due to the losses incurred in 2020 during the market downturn. Our net assets increased to RMB19,793.0 million as of December 31, 2021, primarily due to increased earnings under the strong lithium market and issuance of shares of a subsidiary to a non-controlling shareholder in 2021.

Our net current liabilities increased from RMB15,817.6 million as of December 31, 2019 to RMB23,522.4 million as of December 31, 2020, primarily due to our decreased cash and cash equivalents and restricted deposits, and increased current bank loans and other borrowings. Our net current liabilities decreased to RMB6,140.9 million as of December 31, 2021, primarily due to (i) the increase in cash and cash equivalents as well as the increase in trade and other receivables in line with our increased revenue, (ii) the decrease in current bank loans and other borrowings resulting from the modification of the SQM Indebtedness, and (iii) the decrease in trade and other payables.

During the Track Record Period, we conducted the following measures to improve our net current liabilities position: (i) delayed some of the capital expenditure. For example, we suspended construction of the Kwinana Plant and Phase I of the Anju Plant in 2019; (ii) completed the IGO Transaction and repaid part of the syndicated loan using the transaction proceeds; (iii) reached an agreement with the banks on the syndicated loan amendment, including extension of the maturity dates, and adjustments of the interest rate and interest period; and (iv) improved the turnovers of the receivables and inventories to manage the working capital more efficiently. We intend to continue to improve our net current liabilities position through (i) maintaining a stable cash flow from operations, for example, we recorded net cash generated from operating activities of RMB3,642.3 million for the three months ended March 31, 2022; (ii) improving working capital sufficiency; and (iii) optimizing debt structure by exploring long-term financing options and reducing short-term borrowings.

Summary Consolidated Statements of Cash Flows Data

	For the year ended December 31,		
	2019	2020	2021
	(RMB in millions)		
Net cash generated from operating activities	2,046.9	915.8	2,233.0
Net cash used in investing activities	(3,338.0)	(520.5)	(65.2)
Net cash generated from / (used in) financing activities	4,003.3	(3,508.0)	(1,147.9)
Net increase / (decrease) in cash and cash equivalents	**2,712.2**	**(3,112.7)**	**1,019.9**
Cash and cash equivalents at January 1	1,201.7	3,930.9	788.2
Effect of foreign exchange rate changes	17.0	(30.0)	(42.0)
Cash and cash equivalents at December 31	**3,930.9**	**788.2**	**1,766.1**

MAJOR FINANCIAL RATIOS

The following table sets forth a summary of our major financial ratios as of the dates or for the periods indicated.

	As of and for the year ended December 31,		
	2019	2020	2021
Profitability:			
Gross profit margin	56.0%	41.3%	61.7%
Net profit margin	(113.8%)	(35.0%)	55.4%
Rates of return:			
Return on assets(1)	(11.7%)	(2.7%)	9.2%
Return on equity(2)	(61.5%)	(15.1%)	21.2%
Liquidity:			
Current ratio(3)	28.8%	10.8%	51.2%
Quick ratio(4)	24.6%	7.6%	44.3%
Gearing ratio(5)	382.6%	409.9%	110.2%

Notes:

(1) Return on assets ratio is calculated using net profit/loss divided by total assets at the end of the year, multiplied by 100%.

(2) Return on equity ratio is calculated using net profit/loss divided by total equity at the end of the year, multiplied by 100%.

(3) Current ratio is calculated using total current assets divided by total current liabilities.

(4) Quick ratio is calculated using total current assets less inventories divided by total current liabilities.

(5) Gearing ratio is calculated by dividing total debt (which includes current and non-current bank loans, lease liabilities and other borrowings) by total equity.

DIVIDEND POLICY

Our Articles of Association require us to distribute cash dividends of no less than 30% of the average annual distributable profit under the PRC GAAP in any rolling three-year period, subject to significant investment or capital expenditure plans and working capital requirements. We distribute dividends primarily in the form of cash, but may also distribute dividends in the form of stocks or a combination of cash and stocks. If dividends in any distribution consists of both cash and stocks, the cash dividends shall comprise not less than 20% of such distribution. Any proposed distribution of dividends is subject to the discretion of our Board and the approval of our Shareholders. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, Shareholders' interests and any other conditions that our Board may deem relevant.

We did not declare any dividends in relation to our operations during the Track Record Period. We paid dividends of RMB205.6 million, nil and nil to our ordinary equity shareholders in 2019, 2020 and 2021, respectively.

CONNECTED TRANSACTIONS

We have applied to the Stock Exchange for waivers for certain transactions which will constitute non-exempt continuing connected transactions of our Company under the Listing Rules. With respect to the Albemarle Agreements (as defined below), we have applied for (i) a waiver from strict compliance with the announcement requirement under Rule 14A.105 of the Listing Rules, and (ii) a waiver from strict compliance with Rule 14A.53(1) of the Listing Rules such that no annual cap expressed in monetary terms is required for the Albemarle Agreements.

Please refer to the sections headed "Waivers from Strict Compliance with the Listing Rules" and "Connected Transactions—Non-Exempted Continuing Connected Transactions Subject to Reporting and Announcement Requirements" for further details.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Immediately following completion of the Global Offering (assuming that the Over-allotment Option is not exercised), our Company will be owned as to 25.37% by Tianqi Group Company, which in turn is owned as to 90% by Mr. Jiang Weiping and as to 10% by Ms. Jiang Anqi. Ms. Zhang Jing, the spouse of Mr. Jiang Weiping will also directly hold 4.18% of the total issued share capital of our Company. As such, Tianqi Group Company, Mr. Jiang Weiping, Ms. Zhang Jing and Ms. Jiang Anqi will continue to hold approximately 29.55% of the total issued share capital of our Company immediately following completion of the Global Offering (assuming that the Over-allotment Option is not exercised). Therefore, they will remain as our Single Largest Group of Shareholders upon listing. See the section headed "Relationship with Our Single Largest Group of Shareholders" for further details about our Single Largest Group of Shareholders.

RECENT DEVELOPMENTS

Summary of Financial Performance and Financial Position for the Three Months ended March 31, 2022

As required by the Shenzhen Stock Exchange listing rules, we published our quarterly report on April 30, 2022, containing our unaudited consolidated financial statements as of and for the three months ended March 31, 2022, prepared under the PRC GAAP. We have included our unaudited interim financial report prepared in accordance with IAS 34 as of and for the three months ended March 31, 2022 in Appendix II to this Prospectus. Our unaudited consolidated financial statements have been reviewed by the Reporting Accountants in accordance with Hong Kong Standard on Review Engagements 2410.

Summary Consolidated Statements of Profit or Loss

The table below sets forth our condensed consolidated statements of profit or loss for the periods indicated:

	For the three months ended March 31,	
	2021	2022
	(RMB in thousands)	
Revenue	899,632	5,213,142
Cost of sales	(490,925)	(772,177)
Gross profit	408,707	4,440,965
Other net income/(loss)	(171,578)	495,307
Selling and distribution expenses	(4,242)	(5,814)
Administrative expenses	(91,222)	(138,141)
Research and development costs	(5,492)	(5,682)
(Provision for)/reversal of impairment losses	193	(5,976)
Profit/(loss) from operations	136,366	4,780,659
Finance costs	(345,241)	(280,208)
Share of profits less losses of associates	66,124	1,178,217
Profit/(loss) before taxation	(142,751)	5,678,668
Income tax	(37,711)	(1,115,051)
Profit/(loss) for the period	(180,462)	4,563,617
Attributable to:		
Equity shareholders of the Company	(246,408)	3,955,913
Non-controlling interests	65,946	607,704

Our revenue significantly increased from RMB899.6 million for the three months ended March 31, 2021 to RMB5,213.1 million for the three months ended March 31, 2022, primarily attributable to the increased revenue generated from sales of both lithium compounds and derivatives and lithium concentrate segments, which were mainly driven by increased average selling prices of both segments and the increased sales volume of lithium concentrate. The average selling price of lithium compounds and derivatives increased significantly from RMB59,280.9 per ton for the three months ended March 31, 2021 to RMB326,525.4 per ton for the three months ended March 31, 2022, and the average selling price of lithium concentrates increased from RMB3,451.3 per ton to RMB11,576.5 per ton during the same period. The sales volume of lithium concentrates increased from 97,160 tons for the three months ended March 31, 2021 to 168,841 tons for the three months ended March 31, 2022.

Our cost of sales increased from RMB490.9 million for the three months ended March 31, 2021 to RMB772.2 million for the three months ended March 31, 2022, which was mainly in line with the increase of our sales volume. Despite of the increase in our cost of sales for the three months ended March 31, 2022, the average production cost of our lithium compounds and derivatives remained relatively stable and less affected by the price change of the upstream raw materials, due to our self-sufficiency in lithium raw materials for efficient manufacturing of lithium compounds and derivatives. The average production cost of our lithium concentrate increased mainly due to the increase in the minerals resource rent tax in Australia, in line with the increase in the average selling price of lithium concentrate.

Our gross profit significantly increased from RMB408.7 million for the three months ended March 31, 2021 to RMB4,441.0 million for the three months ended March 31, 2022, which was primarily due to the increased average selling prices of both lithium compounds and derivatives and lithium concentrate, as well as the increase in sales volume of lithium concentrate. The increases in the average selling price and sales volume of lithium concentrates were primarily driven by the increased prevailing market price and market demand. Our gross profit margin increased from 45.4% for the three months ended March 31, 2021 to 85.2% for the three months ended March 31, 2022. The increase in our gross profit margin was primarily due to (i) the significant increase in the average selling prices of our lithium compounds and derivatives and lithium concentrates, which was in line with the respective increased prevailing market prices, and (ii) a relatively stable average production cost of our lithium compounds and derivatives, partially offset by the increased average production cost of our lithium concentrates.

Our other income for the three months ended March 31, 2022 was affected by the gains on deemed disposal of an associate as a result of the listing of Solid Energy System Corporation. See note 10 to the unaudited interim financial information included in Appendix II to this Prospectus issued by the reporting accountants.

During the three months ended March 31, 2022, our impairment losses of RMB6.0 million were recognized due to the increase of our trade receivables from RMB657.5 million as of December 31, 2021 to RMB1,745.8 million as of March 31, 2022, which was in line with the increase of our revenue. Our impairment losses recognized represented the provision of the expected credit losses for our trade receivables in accordance with the accounting policy. Please see "Financial Information— Critical Accounting Policies and Estimates—Credit Losses and Impairment of Assets—Credit losses from financial instruments" for details.

As a result of the foregoing, we recorded net profit of RMB4,563.6 million for the three months ended March 31, 2022, as compared to a net loss of RMB180.5 million for the three months ended March 31, 2021.

Summary Consolidated Statements of Financial Position Data

The table below sets forth summary information from our consolidated statement of financial position as of the dates indicated:

	As of December 31, 2021	As of March 31, 2022
	(RMB in thousands)	
Non-current assets		
Property, plant and equipment	13,734,405	14,228,350
Intangible assets	118,811	122,159
Goodwill	416,101	416,101
Interests in associates	24,120,755	24,353,259
Interests in a joint venture	112,810	122,085
Financial assets measured at fair value	695,617	2,281,937
Deferred tax assets	115,568	195,417
Restricted deposits	11,157	11,499
Other non-current assets	22,572	36,468
	39,347,796	41,767,275
Current assets		
Inventories	871,756	1,109,373
Trade and other receivables	3,369,533	3,399,493
Prepaid tax	235,299	234,947
Restricted deposits	209,828	248,748
Cash and cash equivalents	1,766,096	2,225,533
	6,452,512	7,218,094
Current liabilities		
Trade and other payables	1,536,113	1,604,120
Derivative financial instruments	388,401	876,211
Contract liabilities	164,475	321,320
Bank loans and other borrowings	9,762,521	6,676,325
Lease liabilities	48,940	53,213
Deferred income	6,093	6,094
Current taxation	686,872	1,212,050
	12,593,415	10,749,333
Net current liabilities	(6,140,903)	(3,531,239)
Total assets less current liabilities	33,206,893	38,236,036
Non-current liabilities		
Bank loans and other borrowings	11,800,154	11,843,503
Deferred income	66,477	65,580
Deferred tax liabilities	978,520	1,012,159
Lease liabilities	200,442	207,762
Provision	335,270	311,168
Other non-current liabilities	33,078	36,074
	13,413,941	13,476,246
NET ASSETS	19,792,952	24,759,790
CAPITAL AND RESERVES		
Share capital	1,477,099	1,477,099
Reserves	12,879,967	17,297,467
Total equity attributable to equity shareholders of the Company	14,357,066	18,774,566
Non-controlling interests	5,435,886	5,985,224
TOTAL EQUITY	19,792,952	24,759,790

Our net current liabilities decreased significantly from RMB6,140.9 million as of December 31, 2021 to RMB3,531.2 million as of March 31, 2022. Our net assets increased from RMB19,793.0 million as of December 31, 2021 to RMB24,759.8 million as of March 31, 2022, which was mainly due to the net profit of RMB4,563.6 million for the three months ended March 31, 2022.

Selected Items of Condensed Consolidated Statements of Cash Flows Data

The table below sets forth selected information from our condensed consolidated statements of cash flows for the periods indicated:

	For the three months ended March 31,	
	2021	2022
	(RMB in thousands)	
Net cash generated from operating activities	341,616	3,642,310
Net cash used in investing activities	(99,517)	(292,146)
Net cash used in financing activities	(66,892)	(2,923,206)
Net increase in cash and cash equivalents	**175,207**	**426,958**
Cash and cash equivalents at January 1	788,206	1,766,096
Effect of foreign exchange rate changes	7,946	32,479
Cash and cash equivalents at March 31	**971,359**	**2,225,533**

We recorded net cash generated from operating activities of RMB3,642.3 million for the three months ended March 31, 2022, which was primarily attributable to the increase of our profit before taxation to RMB5,678.7 million resulting from the increase of the selling price of the lithium products.

We expect the average selling prices and sales volume of our lithium products to increase for the first six months ending June 30, 2022 compared to the same period last year, thus leading to expected increase in our revenue for the first six months ending June 30, 2022 compared to the same period last year. Our actual results may differ due to the completion of our financial closing procedures and other developments that may arise between the date of this Prospectus and the time the financial results for the first six months ending June 30, 2022 are finalized.

COVID-19 Pandemic

In response to the spread of the COVID-19 virus, including variants and mutant strains, such as the recently detected Delta and Omicron variants, the PRC government and governments in other countries where we have established operations implemented numerous measures, including travel bans and restrictions, quarantines, stay-at-home orders and shutdowns. We took a series of measures in response to the outbreak to protect our employees in compliance with governments' measures, including, temporary closure of our offices, remote working arrangements for our employees, and travel restrictions or suspension. While our manufacturing facilities maintained normal operations since the outbreak of the COVID-19 pandemic in the first quarter of 2020, we experienced temporary disruptions to our supply chain and logistics operations. At our Shehong Plant, the supply of raw materials was temporarily delayed due to restrictions on transportation and logistics imposed by local government on January 29, 2020. The normal supply of raw materials resumed on February 24, 2020 as the Shehong Plant implemented various measures, including special logistics arrangements. Our other manufacturing facilities were not affected by the COVID-19 pandemic.

The economic slow-down and regional lock-down resulting from the COVID-19 pandemic, negatively impacted our business and results of operations in 2020. Between 2019 and 2020, market prices for lithium products experienced a steady decrease, primarily as a result of slowdown in global economy and decreased sales volume in our end-users, attributing to the decreased market demand. Our revenue decreased from RMB4,816.4 million for the year ended December 31, 2019 to RMB3,215.2 million for the year ended December 31, 2020.

Since the second quarter of 2020, many of the quarantine measures within China have been relaxed, with sporadic resurgence of the pandemic in different regions. We witnessed a growth in our revenue from RMB3,215.2 million in 2020 to RMB7,597.9 million in 2021.

Since January 1, 2022, certain areas across the PRC have suffered from some regional outbreaks of COVID-19 variants including Delta and Omicron variants. In response, local governments in the affected areas imposed various restrictions on business and social activities, including city lockdowns, restrictions on travel and emergency quarantines. We have not experienced any material operating difficulties, labor shortages, supply chain disruptions or order cancellations due to the recent recurrence of COVID-19. In addition, our business and revenue have continued to grow. Our revenue increased significantly from RMB899.6 million for the three months ended March 31, 2021 to RMB5,213.1 million for the three months ended March 31, 2022. Although our operations have not been directly affected by the COVID-19 pandemic, we are closely monitoring the development of the COVID-19 pandemic and continuously evaluating any potential impact on our business, results of operations and financial condition. As the COVID-19 pandemic remains an evolving situation, there is great uncertainty as to the development of the disease.

We believe the impact on demand growth, our sales volumes and our average selling prices will depend on the duration of the COVID-19 pandemic in the regions where we operate, the efficiency of the measures implemented to contain the spread of the COVID-19 pandemic and relevant fiscal incentives that may be implemented to promote economic recovery. While we have resumed business operations, there remain significant uncertainties surrounding the COVID-19 pandemic and its further development. In the event of the resurgence of the COVID-19 pandemic, governments may re-impose or implement strengthened measures to combat it, which may impact our business and operations, our results of operations, financial condition, cash flow and liquidity in the future.

Investment in SQM

In May 2018, we entered into the SQM Share Purchase Agreement with Nutrien, pursuant to which we agreed to purchase and Nutrien agreed to sell 62,556,568 Series A shares in SQM at a consideration of approximately US$4.07 billion. As of the Latest Practicable Date, we held an approximately 22.78% equity interest in and are the second largest shareholder of SQM.

We sought to broaden our network in the manufacture and sales of lithium products by investing in SQM, which has generated consistent and attractive benefits to us both financially and strategically. From financial perspective, SQM has provided consistent dividend payouts to us. During the years ended December 31, 2019, 2020 and 2021, we received cash dividends of US$79.6 million, US$51.4 million and US$124.0 million from SQM, respectively. From strategic perspective, we believe that our investment in SQM will strengthen our ability to capitalize on the strong growth prospects of the lithium-ion battery and EV markets. We view our investment in SQM as strategic investment considering (i) SQM as the largest lithium compounds producer from brine as measured by production output in 2021, according to the Wood Mackenzie Report; and (ii) our right to nominate three out of eight board seats. The investment in SQM will also enable us to financially benefit from

SQM's operations. Therefore, we believe our investment in SQM will generate long-term value and can help create future cooperation opportunities.

We do not have access to SQM's lithium brine resources, and we have no previous experience in dealing with lithium brine as resources. In addition, we do not have any offtake agreements or any other arrangements with SQM with respect to its lithium resources.

SQM Indebtedness

In addition to our cash on hand, we financed the consideration for the SQM Transaction through bank borrowings incurred under two syndicated facility agreements with aggregate term loan facilities of US$3.5 billion. On April 1, 2022, we and the lenders under the Facility Agreements entered into an amendment deed, pursuant to which the lenders conditionally agreed to modify the terms of the Facility Agreements, mainly including the release of the obligations under the Shareholder Guarantee and termination of subordination of Shareholder Loans upon the satisfaction of certain conditions such as the completion of our Listing and partial repayment of the Facilities. As of June 10, 2022, the outstanding principal amount of SQM Indebtedness totaled approximately US$1.13 billion, which is expected to be fully repaid using the IPO proceeds.

Under the facility agreements of the SQM Indebtedness, we are subject to information undertakings, certain general customary covenants with certain permitted exceptions and a number of restrictive covenants on certain financial ratios. During the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant restrictive covenants under the facility agreements of the SQM Indebtedness. The substantial SQM Indebtedness may decrease our business flexibility and adversely impact our financial results.

Tianqi Extrajudicial Agreement with the FNE

Considering the possible impact of concentration of the operators after the SQM transaction, the Chilean antitrust regulator, the Chilean National Economic Prosecutor's Office (the "**FNE**"), initiated an investigation on the SQM transaction. On August 27, 2018, we and the FNE entered into an extra-judicial settlement agreement (the "**FNE Agreement**"), which subjects us to certain restrictive measures with respect to our rights as an SQM shareholder and our dealings with SQM. Such measures, including but not limited to certain restrictions on our rights in electing directors on SQM's board and accessing SQM's sensitive information and certain requirements to notify the FNE of potential contracts with SQM and investments in SQM, could further limit our ability to exercise any control or have any decisive influence over SQM and its underlying business. Such FNE Agreement has an effective term of four years and will be automatically renewed for two years thereafter, and is expected to expire around 2024. Due to the impact of the FNE Agreement, we are not able to exercise any control or have any decisive influence over SQM or its underlying business. See "Risk Factors—Risks Relating to Our Business—We may not realize the expected benefits of the SQM Transaction."

For more information, see "Business—Our Investments in the Global Lithium Value Chain—Investment in SQM."

Facility Agreements

In April 2022, we received a commitment letter from certain financial institutions, pursuant to which they conditionally commit to provide a term loan facility with an aggregate principal amount of

US$800 million for a term of three years, which is earmarked for (i) the repayment of the SQM Indebtedness; (ii) the payment of the relevant fees, expenses and the day one interest reserve of the US$800 million facility; (iii) the repayment of the five-year USD bond issued in 2017; and (iv) future capital expenditure and working capital needs if the SQM Indebtedness and the relevant fees, expenses and interest reserve of the US$800 million facility have been fully repaid and there is sufficient liquidity to fully repay the five-year USD bond issued in 2017. In May 2022, we entered into a facility agreement for an approved line of credit of RMB600 million (the "**RMB600 Million Facility**") for a term of 36 months from the drawdown date secured by share pledges of Tianqi Shenghe and pledge of the exploration right for spodumene deposits in Yajiang Cuola Mine, which is earmarked for the repayment of the SQM Indebtedness. On June 8, 2022, we completed the drawdown of all of the RMB600 million principal amount under the RMB600 Million Facility, which was fully used for the repayment of SQM Indebtedness on June 10, 2022.

Lithium Price

Lithium price has been surging over the past year. However, the price of battery grade lithium carbonate experienced a slight downturn in April 2022 amid further pandemic lockdowns and seasonable factors. There is no assurance that a drop in the price of lithium will not occur, which may materially and adversely affect our businesses, financial condition and results of operations. See "Risk Factors—Risks Relating to Our Business—We are exposed to market fluctuations of lithium prices."

NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors confirm that, up to the date of this Prospectus, there has not been any material adverse change in our financial or trading positions or prospects since December 31, 2021, and there is no event since December 31, 2021 which would materially affect the information shown in the Accountants' Report in Appendix I to this Prospectus.

OFFER STATISTICS

The statistics in the following table are based on the assumptions that (i) the Global Offering is completed and 164,122,200 H Shares are newly issued in the Global Offering, (ii) the Over-allotment Option for the Global Offering is not exercised, and (iii) 1,641,221,583 Shares are issued and outstanding following the completion of the Global Offering:

	Based on an Offer Price of HK$62.10, after Downward Offer Price Adjustment of 10%	Based on an Offer Price of HK$69.00	Based on an Offer Price of HK$82.00
Market capitalization of our Shares(1)	HK$101,920 million	HK$113,244 million	HK$134,580 million
Unaudited pro forma adjusted consolidated net tangible assets per H Share(2)	RMB13.57 (HK15.87)(3)	RMB14.15 (HK$16.55)(3)	RMB15.23 (HK$17.81)(3)

Notes:

(1) The calculation of market capitalization is based on 164,122,200 H Shares and 1,477,099,383 A Shares expected to be in issue immediately upon completion of the Global Offering.

(2) The unaudited pro forma adjusted consolidated net tangible asset per Share is calculated after making the adjustments referred to in "Appendix III Unaudited Pro Forma Financial Information" in this Prospectus.

(3) The estimated net proceeds from the Global Offering are translated into Renminbi at the rate of RMB0.8550 to HK$1.00, the exchange rate set by the PBOC prevailing on the Latest Practicable Date. No representation is made that the Hong Kong dollar amounts have been, could have been or could be converted to Renminbi at that rate or at any other rate.

FUTURE PLANS AND USE OF PROCEEDS

The net proceeds of the Global Offering (after deducting the relevant expenses) are estimated to be approximately HK$12,022 million before any exercise of the Over-allotment Option, assuming an Offer Price of HK$75.5 per H Share, being the mid-point of the indicative Offer Price range between HK$69.0 and HK$82.0 per H Share. If the Over-allotment Option is exercised in full, we estimate that the additional net proceeds to our Company from the offering of these additional H Shares will be approximately HK$1,812 million, after deducting the relevant expenses, assuming an Offer Price of HK$75.5 per H Share. We intend to apply the net proceeds (approximately HK$12,022 million) from the Global Offering (assuming the Over-allotment Option is not exercised) in the following manner:

- Approximately HK$8,865 million of the net proceeds will be used to repay the outstanding balance of the SQM Indebtedness. For details of the SQM Indebtedness, please refer to the section headed "Financial Information—Indebtedness relating to the SQM Transaction".
- Approximately HK$1,170 million of the net proceeds will be used to fund the construction of Phase I of the Anju Plant.
- Approximately HK$785 million of the net proceeds will be used to repay certain PRC domestic bank loans with interest rates range from 4.35% to 5.49% and maturity dates range from September 2022 to June 2025, which were used for working capital purposes and the construction of Tianqi Global Research Center in Tianfu New District, Chengdu, China.
- The remaining HK$1,202 million of the net proceeds will be used for working capital and general corporate purposes.

If the Offer Price is set at the high-end or the low-end of the indicative Offer Price range, being HK$82.0 or HK$69.0 per H Share, respectively, the net proceeds to us from the Global Offering (assuming that the Over-allotment Option is not exercised) will respectively increase or decrease by approximately HK$1,040 million. In such case, the net proceeds of HK$8,865 million will first be applied to the first purpose mentioned above (namely to repay the outstanding balance of the SQM Indebtedness), and the remaining amount will increase or decrease accordingly and be applied to the second, third and fourth purposes mentioned above (namely to fund the construction of the Phase I of the Anju Plant, repayment of domestic bank loans, as well as general corporate purposes).

If the Over-allotment Option is exercised in full, we estimate that we will receive total net proceeds of approximately HK$12,637 million at the low-end of the indicative Offer Price range of HK$69.0 per Offer Share and HK$15,030 million at the high-end of the indicative Offer Price range of HK$82.0 per Offer Share, after deducting the estimated underwriting fees and expenses payable by us. After applying HK$8,865 million to the first purpose mentioned above (namely to repay the outstanding balance of the SQM Indebtedness), any additional net proceeds received from the exercise of the Over-allotment Option will be applied to the second, third and fourth purposes mentioned above (namely to fund the construction of the Phase I of the Anju Plant, repayment of domestic bank loans, as well as general corporate purposes).

To the extent that the net proceeds of the Global Offering are not immediately required for or applied for the above purpose, we will hold such funds in short-term deposits with licensed banks and authorized financial institutions in Hong Kong or in the PRC.

LISTING EXPENSES

Our Listing expenses mainly comprise professional fees payable to Joint Sponsors, Joint Bookrunners, Underwriters, legal advisors and our reporting accountants for their services rendered in relation to the Listing and the Global Offering. The total amount of Listing expenses that will be borne by us is estimated to be approximately RMB316.1 million (based on the mid-point of our indicative price range for the Global Offering), representing approximately 3.0% of our gross proceeds from the Global Offering (assuming an Offer Price of HK$75.50 per H Share, being the mid-point of the stated range of the Offer Price per H Share), of which approximately RMB313.4 million is expected to be accounted for as a deduction from equity and the remaining amount of approximately RMB2.7 million is expected to be charged to our profit or loss contained in the consolidated statements of profit or loss and other comprehensive income. The aforementioned estimated listing expenses of approximately RMB316.1 million include (i) the underwriting related expenses of approximately RMB256.8 million, (ii) non-underwriting related fees and expenses paid and payable to legal advisers and reporting accountants, of approximately RMB40.6 million, and (iii) other non-underwriting related fees and expenses of approximately RMB18.7 million. None of the Listing expenses was charged to our profit or loss for the years ended December 31, 2019, 2020 and 2021. For the year ended December 31, 2021, we incurred listing expenses of RMB8.9 million, which was recorded in “other non-current assets” in our consolidated statements of financial position and will be accounted for as a deduction from equity upon the listing of our H Shares. Our Directors do not expect such expenses alone to materially impact our results of operations in 2022.

APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE

We are applying for the Listing under Rule 8.05(3) of the Listing Rules and satisfy the market capitalization/revenue test, among other things, with reference to (i) our revenues for the year ended December 31, 2021, being RMB7,597.9 million, which is significantly over HK$500 million required by Rule 8.05(3); and (ii) our expected market capitalization at the time of Listing, which, based on the Offer Price of HK$69.00 per Offer Share, significantly exceeds HK$4 billion required by Rule 8.05(3).