
CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

Our Company has entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**”, and together the “**Cornerstone Investment Agreements**”) with each of the cornerstone investors set forth below (each a “**Cornerstone Investor**”, and together the “**Cornerstone Investors**”). Pursuant to the Cornerstone Investment Agreements, the Cornerstone Investors have agreed to, subject to certain conditions, subscribe or cause their designated entities to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 200 H Shares) which may be purchased at the Offer Price with an aggregate amount of approximately HK\$2,551,088,612 (exclusive of the brokerage fee, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy) (the “**Cornerstone Placing**”).

Assuming an Offer Price of HK\$19.96 (being the high-end of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 127,809,600 Offer Shares, representing (i) approximately 55.0% of the Offer Shares (assuming the Over-allotment Option is not exercised); (ii) approximately 47.8% of the Offer Shares (assuming the Over-allotment Option is fully exercised); (iii) approximately 8.2% of our total share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised); and (iv) approximately 8.1% of our total share capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is fully exercised).

The Cornerstone Investors will acquire the Offer Shares pursuant to, and as part of, the International Offering. If there is over-allocation in the International Offering, there may be deferred delivery of the Offer Shares to be subscribed by the Cornerstone Investors under the Cornerstone Placing. All of the Cornerstone Investors, including the Cornerstone Investors who have agreed to a potential delayed delivery arrangement, have agreed to pay for the relevant Offer Shares in full before dealings in the Offer Shares commence on the Stock Exchange. The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the other fully paid Offer Shares in issue immediately upon completion of the Global Offering and will be counted towards the public float of our Company under Rule 8.08 of the Listing Rules.

There are no side agreements/arrangements between our Group and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Cornerstone Placing, and the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price. None of the Cornerstone Investors will have any representation on the Board nor become a substantial shareholder of our Company immediately upon completion of the Global Offering, and the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements.

We became acquainted with each of the Cornerstone Investors through existing business relationships or introduction by certain Underwriters. Our Company is of the view that, leveraging on the Cornerstone Investors’ investment experience, the Cornerstone Placing will help raise the profile of our Company, and signify that such investors have confidence in the growth and business prospects of our Group. As confirmed by each Cornerstone Investor, their subscription under the

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Cornerstone Placing would be financed by their own internal financial resources. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained in connection with its subscription for the relevant Offer Shares under the Cornerstone Placing.

To the best knowledge of our Company, (i) each of the Cornerstone Investors (and, for the Cornerstone Investors who will subscribe for the relevant Offer Shares through a qualified domestic institutional investor (合格境內機構投資者) (“**QDII**”), each such QDII) is an Independent Third Party and is not our connected person; (ii) none of the Cornerstone Investors is accustomed to take instructions from our Company, the directors, chief executive, controlling shareholders, substantial shareholders or existing shareholders of our Company or of any of our subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of securities of our Company registered in their name or otherwise held by them; (iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors is financed by our Company, the directors, chief executive, controlling shareholders, substantial shareholders or existing shareholders of our Company or of any of our subsidiaries or any of their respective close associates; and (iv) save for the Cornerstone Investors which have engaged a QDII to subscribe for and hold the relevant Offer Shares on its behalf, each of the Cornerstone Investors will directly subscribe for and hold the relevant Offer Shares for its own account.

To the extent that any Cornerstone Investor has engaged a QDII to subscribe for the relevant Offer Shares on its behalf, such Cornerstone Investor will procure the QDII to comply with the terms of its Cornerstone Investment Agreement in order to ensure the compliance of such Cornerstone Investor with its obligations under its Cornerstone Investment Agreement.

The total number of Offer Shares to be subscribed by the Cornerstone Investors pursuant to the Cornerstone Placing may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering as described in the section headed “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation and Clawback”. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by our Company on or around November 30, 2022.

OUR CORNERSTONE INVESTORS

The following information on the Cornerstone Investors was provided to the Company by the Cornerstone Investors.

Hongkong Brunp and Catl Co., Limited

Hongkong Brunp and Catl Co., Limited (香港邦普时代新能源有限公司) (“**Hong Kong CATL**”) was incorporated in Hong Kong in December 2019, and its principal business activity is investing in and operating projects and related businesses in the upstream industrial chain, such as overseas new energy metal mineral exploration and smelting. Hong Kong CATL is an indirectly controlled subsidiary of Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司) (“**CATL**”), a company established in 2011 and listed on the Shenzhen Stock Exchange since 2018 (stock code: 300750). CATL is a global-leading new energy company with technological innovation, and has core technology advantages and forward-looking R&D positioning in battery materials,

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battery systems, battery recycling and other aspects of the industrial chain. It focuses on the R&D, production and sales of power battery system and energy storage. CATL is committed to providing first-tier solutions and services for the global application of new energy.

In October 2020, we jointly established CBL with a subsidiary of CATL, Ningbo Brunp Contemporary New Energy Co., Ltd (寧波邦普時代新能源有限公司) (“**Ningbo Brunp**”), and Ningbo Ruiting Investment (the largest shareholder of CATL as of December 31, 2021). CBL will focus on a variety of projects in Indonesia across the NEV industry value chain, from nickel mine exploration, production of nickel products and NEV battery materials, to the manufacturing and recycling of NEV batteries. Please also refer to the section headed “Future Plans and Use of Proceeds — Use of Proceeds” for details.

We have entered into a sales contract with Ningbo Brunp and its designated party, pursuant to which our Company agreed to supply Ningbo Brunp or its designated party with nickel sulfate between January 2023 and December 2027. There is no predetermined purchase price under the sales contract, though the purchase price shall be determined based on a pre-agreed pricing formula. The sales contract was entered into on arm’s length basis and on normal commercial terms, and in the ordinary course of business of our Company.

Save as disclosed in this section, our Company did not enter into any other transaction, agreement or arrangement with CATL concerning the acquisition of our H Shares. CATL does not require approval from the relevant stock exchange or its shareholders for its investment in our Company.

China State-Owned Enterprise Mixed Ownership Reform Fund Co., Ltd.

The China State-Owned Enterprise Mixed Ownership Reform Fund Co., Ltd. (中国国有企业混合所有制改革基金有限公司) (“**Mixed-ownership Reform Fund**”) is a national fund approved by the State Council, entrusted by the State-owned Assets Supervision and Administration Commission of the State Council (“**SASAC**”) and initiated by China Chengtong Holdings Group Co., Ltd. (中國誠通控股集團有限公司) (“**China Chengtong**”). The Mixed-ownership Reform Fund was established in Shanghai in December 2020, with a target total scale of RMB200 billion and an initial registered capital of RMB70.7 billion. The shareholders of the Mixed-ownership Reform Fund include a number of Chinese central enterprises, local government SOEs and private enterprises, amongst which the largest shareholder is China Chengtong with a shareholding of approximately 33.95%. China Chengtong is 100% controlled by SASAC. The Mixed-ownership Reform Fund is principally engaged in equity investment, asset management, investment advisory and corporate management advisory, with an investment focus on key strategic fields, core technical domains and others.

In addition, for the purpose of this cornerstone investment, the Mixed-Ownership Reform Fund has engaged ICBC Credit Suisse Asset Management Co., Ltd. (工銀瑞信基金管理有限公司), an asset manager that is a QDII as approved by the relevant PRC authority to subscribe for and hold such Offer Shares on its behalf.

Ningbo Yinzhou District Financial Holding Co., Ltd.

Ningbo Yinzhou District Financial Holding Co., Ltd. (宁波市鄞州区金融控股有限公司) (“**Yinzhou Financial Holding**”) was established in Ningbo, PRC. Its principal business activities

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include equity investments, industry funds management, financial services such as financing guarantees and loan extension for public welfare purposes, and the management and operation of state-owned assets. It focuses on enabling high-quality development of the regional economy through equity investment and cultivation services for companies with a proposed listing, fast-growing companies and quality “Specialized, Refined, Differential, Innovation” (專精特新) companies. Yinzhou Financial Holding is a SOE directly under the People’s Government of Ningbo City (寧波市人民政府), and ultimately controlled by Ningbo City Yinzhou District State-owned Assets Supervision and Administration Commission (寧波市鄞州區國有資產管理委員會).

For the purpose of the cornerstone investment, Yinzhou Financial Holding has engaged Hwabao Trust Co., Ltd. (華寶信託有限責任公司), a trust company that is a QDII as approved by the relevant PRC authority, to subscribe for and hold such Offer Shares on a discretionary basis on its behalf.

GEM Hong Kong International Co., Limited

GEM Hong Kong International Co., Limited (格林美香港國際物流有限公司) (“**GEM Hong Kong**”) was incorporated in Hong Kong in April 2014, and its principal business activity is the sale and purchase of non-ferrous metals and raw materials, renewable resources and other resources, and the investment of overseas projects. GEM Hong Kong is wholly-owned by GEM Co., Ltd. (格林美股份有限公司) (“**GEM China**”), whose scope of investments mainly covers its upstream and downstream industry chain. GEM China was established in 2001 and listed on the Shenzhen Stock Exchange since 2010 (stock code: 002340), as well as the Swiss Stock Exchange since 2022 (symbol: GEM), and is principally engaged in the manufacturing of new energy battery materials and urban mining.

GEM China is one of our customers, to which we have been principally supplying nickel-cobalt compounds. We have entered into a long-term offtake agreement with GEM China in August 2020, for a term commencing from the commercial operation date (the date on which the HPAL project produced a cumulative total of 12,000 metal tons of MHP, i.e. June 22, 2021) to the eighth anniversary of the said commercial operation date. During the offtake period, GEM China agrees to purchase our nickel-cobalt compound products delivered in each contract year. The total annual delivery volume shall be within the corresponding range stipulated in the agreement. There is no predetermined purchase price under the offtake agreement, though the purchase price shall be determined based on a pre-agreed pricing formula. The offtake agreement was entered into on arm’s length basis and on normal commercial terms, and in the ordinary course of business of our Company. Please also refer to the section headed “Business — Production of Nickel Products — Production of Nickel-Cobalt Compounds — Material Terms of Agreements with Customers” in this prospectus for details.

Save as disclosed in this section, our Company did not enter into any other transaction, agreement or arrangement with GEM China concerning the acquisition of our H Shares. GEM China does not require approval from the relevant stock exchanges or its shareholders for its investment in our Company.

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Hubei Ronbay Battery Triangle No. 1 Equity Investment Fund Partnership (Limited Partnership)

Hubei Ronbay Battery Triangle No. 1 Equity Investment Fund Partnership (Limited Partnership) (湖北容百電池三角壹號股權投資基金合夥企業(有限合夥)) (“**Battery Triangle Fund**”) was established in Hubei, PRC in April 2022, with an initial fundraising scale of RMB1.25 billion. Such fund principally makes direct or indirect equity investments in lithium battery industry projects, adheres to an industry-focused investment strategy, fully utilizes the linked advantages of “fund + industry + region”, and focuses on growth projects in high-end manufacturing, resources recycling and in upstream and downstream fields related to the lithium battery industry, whilst also attending to high-quality projects in the emerging technology field within the lithium battery industry.

The executive partner and general partner of Battery Triangle Fund is Beijing Ronbay New Energy Investment Management Co., Ltd. (北京容百新能源投資管理有限公司), which held 0.8% fund interests and is ultimately controlled by Mr. Bai Houshan (白厚善), the founder of Ningbo Ronbay New Energy Technology Co., Ltd. (寧波容百新能源科技股份有限公司) (“**Ronbay Technology**”). The limited partners of the Battery Triangle Fund are Ronbay Technology and Xiantao High-tech Industry Investment Co., Ltd. (仙桃市高新技術產業投資有限公司) (a company controlled by the State-owned Assets Supervision and Administration Commission of the Xiantao People’s Government (仙桃市人民政府國有資產監督管理委員會)), which held 51.2% and 48.0% fund interests, respectively.

Ronbay Technology was established in 2014 and among the first batch of companies listed on the Shanghai Stock Exchange STAR Market in 2019 (stock code: 688005), and as a platform-based and group-based comprehensive supplier of cathode materials, Ronbay Technology is principally engaged in the R&D, production and sales of high-nickel ternary cathode materials, lithium manganese iron phosphate cathode materials and sodium battery cathode materials. The products are mainly used in the manufacturing of lithium batteries, and applied in the fields of NEV power batteries, energy storage equipment and electronic products. Its core products are the NCM811 series, NCA series, Ni90 and above ultra-high nickel series ternary cathode, lithium manganese iron phosphate cathode materials and sodium battery cathode materials.

Ronbay Technology is one of our customers, to which we have been principally supplying the nickel-cobalt compound, MHP, nickel sulfate and cobalt sulfate. We have entered into a sales contract with Ronbay Technology with a term commencing from November 2022 to December 2026. There is no predetermined purchase price under the sales contract, though the purchase price has been determined based on a pre-agreed pricing formula. The sales contract was entered into on arm’s length basis and on normal commercial terms, and in the ordinary course of business of our Company.

Save as disclosed in this section, our Company did not enter into any other transaction, agreement or arrangement with Ronbay Technology concerning the acquisition of our H Shares. As one of the limited partners of Battery Triangle Fund, Ronbay Technology does not require approval from the relevant stock exchange or its shareholders for its investment in our Company.

For the purpose of the cornerstone investment, Battery Triangle Fund has engaged GF Securities Asset Management (Guangdong) Co., Ltd. (廣發證券資產管理(廣東)有限公司), a QDII as approved by the relevant PRC authority, to subscribe for and hold such Offer Shares on a discretionary basis on its behalf.

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The following table sets out certain details of the Cornerstone Placing:

Cornerstone Investor	Investment Amount (HK\$) ⁽¹⁾	Assuming a final Offer Price of HK\$15.60 per Share (being the low-end of the Offer Price Range)				Assuming a final Offer Price of HK\$17.78 per Share (being the mid-point of the Offer Price Range)				Assuming a final Offer Price of HK\$19.96 per Share (being the high-end of the Offer Price Range)					
		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full			
		Number of Offer Shares ⁽²⁾	Approximate % of total number of Offer Shares ⁽²⁾	Approximate % of total share capital ⁽³⁾	Approximate % of total share capital ⁽³⁾	Number of Offer Shares ⁽²⁾	Approximate % of total number of Offer Shares ⁽²⁾	Approximate % of total share capital ⁽³⁾	Approximate % of total share capital ⁽³⁾	Number of Offer Shares ⁽²⁾	Approximate % of total number of Offer Shares ⁽²⁾	Approximate % of total share capital ⁽³⁾	Approximate % of total share capital ⁽³⁾		
Hong Kong															
CATL	783,850,000	50,246,600	21.6%	3.2%	18.8%	44,086,000	19.0%	2.8%	16.5%	2.8%	39,271,000	16.9%	2.5%	14.7%	2.5%
Mixed-ownership Reform Fund	550,000,000	35,256,400	15.2%	2.3%	13.2%	30,933,600	13.3%	2.0%	11.6%	2.0%	27,555,000	11.8%	1.8%	10.3%	1.7%
Yinzhou Financial Holding	433,388,612	27,781,200	11.9%	1.8%	10.4%	24,375,000	10.5%	1.6%	9.1%	1.5%	21,712,800	9.3%	1.4%	8.1%	1.4%
GEM Hong Kong	391,925,000	25,123,200	10.8%	1.6%	9.4%	22,043,000	9.5%	1.4%	8.2%	1.4%	19,635,400	8.4%	1.3%	7.3%	1.2%
Battery Triangle Fund	391,925,000	25,123,200	10.8%	1.6%	9.4%	22,043,000	9.5%	1.4%	8.2%	1.4%	19,635,400	8.4%	1.3%	7.3%	1.2%
Total	2,551,088,612	163,530,600	70.3%	10.5%	61.1%	143,480,600	61.7%	9.3%	53.7%	9.1%	127,809,600	55.0%	8.2%	47.8%	8.1%

Notes:

- (1) The Hong Kong dollar equivalent is for reference only and is calculated based on the exchange rates as described in the section headed "Information about this Prospectus and the Global Offering—Exchange Rate Conversion". The actual investment amount of each Cornerstone Investor in Hong Kong dollars may vary due to the actual exchange rate prescribed in the relevant Cornerstone Investment Agreement.
- (2) Subject to rounding down to the nearest whole board lot of 200 H Shares.
- (3) Represents the percentage of total share capital of our Company immediately upon the completion of the Global Offering.

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CONDITIONS PRECEDENT

The obligation of each of the Cornerstone Investors to acquire the relevant Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (a) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the Underwriting Agreements having been terminated;
- (b) the Offer Price having been agreed upon between the Company and the Overall Coordinators (for themselves and on behalf of the Underwriters);
- (c) the Stock Exchange having granted the listing of, and permission to deal in, the H Shares (including the H Shares to be subscribed by the Cornerstone Investors) as well as other applicable waivers and approvals and such approval, permission or waiver not having been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;
- (d) no laws or regulations shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or under the Cornerstone Investment Agreements, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (e) the representations, warranties, undertakings, acknowledgements and confirmations of the relevant Cornerstone Investor under the relevant Cornerstone Investment Agreement are accurate and true in all respects and not misleading and that there is no material breach of the relevant Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON DISPOSAL OF OFFER SHARES BY THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that without the prior consent of the Company, the Joint Sponsors and the Overall Coordinators, it will not, whether directly or indirectly, at any time during the period of six months from the Listing Date (the “**Lock-up Period**”), dispose of (as defined in the relevant Cornerstone Investment Agreement) any of the Offer Shares they have purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances (if applicable), such as (i) transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction; and/or (ii) pledges or charges in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) who shall undertake to be bound by the same Lock-up Period restriction, for a bona fide commercial loan.