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TIANQI LITHIUM

Tianqi Lithium Corporation

天齊鋰業股份有限公司

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

(Stock Code: 9696)

INSIDE INFORMATION/OVERSEAS REGULATORY ANNOUNCEMENT 2024 FIRST QUARTERLY REPORT

This announcement is made pursuant to the disclosure obligations under Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The following is the 2024 first quarterly report of the Company for the three months ended 31 March 2024 (the “**Reporting Period**”). The financial data contained in the 2024 first quarterly report are prepared in accordance with the China Accounting Standards for Business Enterprises and are unaudited. In the event of any discrepancy between the Chinese and the English versions, the Chinese version shall prevail.

IMPORTANT NOTICE:

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

Yes 3 No

I. KEY FINANCIAL DATA

(I) Key Accounting Data and Financial Indicators

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

Yes No

	The Reporting Period	The corresponding period of last year	Increase/decrease in the Reporting Period compared with the corresponding period of last year (%)
Operating income (RMB)	2,584,634,945.21	11,448,674,607.22	-77.42%
Net profit attributable to shareholders of the listed company (RMB)	-3,896,784,834.74	4,875,226,485.40	-179.93%
Net profit attributable to shareholders of the listed company after deduction of non-recurring gains and losses (RMB)	-3,916,733,916.55	4,836,318,922.00	-180.99%
Net cash flow from operating activities (RMB)	3,144,368,451.35	4,936,111,237.93	-36.30%
Basic earnings per share (RMB/share)	-2.38	2.97	-180.13%
Diluted earnings per share (RMB/share)	-2.38	2.97	-180.13%
Weighted average rate of return on net assets	-7.85%	9.61%	decreased by 17.46 percentage points
	As at the end of the Reporting Period	As at the end the last year	Increase/decrease at the end of the Reporting Period compared with the end of last year (%)
Total assets (RMB)	69,948,471,891.85	73,228,464,437.61	-4.48%
Owner's equity attributable to shareholders of the listed company (RMB)	47,818,229,068.92	51,519,658,068.18	-7.18%

(II) Non-Recurring Gains and Losses Items and Amounts

3 Applicable Not applicable

Unit: RMB

Items	Amount for the Reporting Period	Explanation
Gains or losses on disposal of non-current assets (including the written-off portion of provisions for asset impairment)	60,515,634.80	
Government grants (except for government grants which are closely related to the Company's normal business operations, in line with national policies and regulations, conform with a certain standard and have a continuous impact on the Company's profit or loss) charged to gains or losses for the current period	3,948,092.76	
Other non-operating income and expenses apart from the items stated above	7,135,392.39	
Less: Effect on income tax	23,527,516.21	
Amount affected by minority shareholders' equity (after tax)	28,122,521.93	
Total	<u>19,949,081.81</u>	

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

Applicable Not applicable

The Company has no other specific circumstances of gains or losses items that meet the definition of non-recurring gains or losses.

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

Applicable Not applicable

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

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

3 Applicable Not applicable

Key accounting data and financial indicators	The Reporting Period	The corresponding period of last year	Percentage of change	Reasons for the change
Operating income (RMB)	2,584,634,945.21	11,448,674,607.22	-77.42%	Primarily due to the significant decrease of the sales price of lithium compounds and derivatives as well as lithium mines of the Company during the Reporting Period compared with the corresponding period of last year
Net profit attributable to shareholders of the listed company (RMB)	-3,896,784,834.74	4,875,226,485.40	-179.93%	Primarily due to: 1) a substantial decline in the average sales price of lithium products of the Company during the Reporting Period compared to the corresponding period of last year, and the gross profit of the lithium products decreased significantly; 2) the fact that based on the estimation of Bloomberg, the results of the Company's associate SQM for the first quarter of 2024 would decrease year-on-year significantly. At the same time, according to the announcement by SQM, it will review the accounting treatment of all tax dispute amounts based on the latest ruling on its tax claims, which is expected to lower its net profit for the first quarter of 2024 by approximately USD1.1 billion. Based on the estimation of Bloomberg, combining the effect brought by the tax dispute over the ruling of SQM, the Company recognized a significant decrease in investment income from such associate for the Reporting Period compared to the corresponding period of last year

Key accounting data and financial indicators	The Reporting Period	The corresponding period of last year	Percentage of change	Reasons for the change
Net profit attributable to shareholders of the listed company after deduction of non-recurring gains and losses (RMB)	-3,916,733,916.55	4,836,318,922.00	-180.99%	Primarily due to: 1) a substantial decline in the average sales price of its lithium products during the Reporting Period compared to the corresponding period of last year, and the gross profit of the lithium products decreased significantly; 2) the fact that based on the estimation of Bloomberg, the results of the Company's associate SQM for the first quarter of 2024 would decrease year-on-year significantly. At the same time, according to the announcement by SQM, it will review the accounting treatment of all tax dispute amounts based on the latest ruling on its tax claims, which is expected to lower its net profit for the first quarter of 2024 by approximately USD1.1 billion. Based on the estimation of Bloomberg, combining the effect brought by the tax dispute over the ruling of SQM, the Company recognized a significant decrease in investment income from such associate for the Reporting Period compared to the corresponding period of last year
Net cash flows generated from operating activities (RMB)	3,144,368,451.35	4,936,111,237.93	-36.30%	Primarily due to the significant decrease in operating income for the Reporting Period and the corresponding cash receipts and gross profit decreased compared to the corresponding period of last year
Basic earnings per share (RMB/share)	-2.38	2.97	-180.13%	Primarily due to the decrease in the net profit attributable to shareholders of the listed company for the Reporting Period compared to the corresponding period of last year
Diluted earnings per share (RMB/share)	-2.38	2.97	-180.13%	Primarily due to the decrease in the net profit attributable to shareholders of the listed company for the Reporting Period compared to the corresponding period of last year

II. INFORMATION ON SHAREHOLDERS

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

Unit: Shares

Total number of ordinary shareholders at the end of the Reporting Period	305,852 (A shares), 47 (H shares)	Total number of preferred shareholders with voting rights resumed at the end of the Reporting Period (if any)	0
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Shareholdings of the top ten shareholders (the shares lent through the Securities Lending Business for Refinancing are not included)

Name of shareholders	Nature of shareholders	Proportion of shareholding	Number of shares held	Number of shares held subject to lock-up	Shares pledged, marked or frozen Status of shares	Number
Chengdu Tianqi Industrial (Group) Co., Limited	Domestic non-state-owned legal person	25.37	416,316,432	0	Not applicable	0
HKSCC NOMINEES LIMITED	Foreign legal person	10.00	164,085,575	0	Not applicable	0
Zhang Jing	Domestic natural person	4.18	68,679,877	0	Not applicable	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	3.99	65,441,132	0	Not applicable	0
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	1.70	27,853,574	0	Not applicable	0
Industrial and Commercial Bank of China Limited – Huatai-Pinebridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund (中國工商銀行股份有限公司 – 華泰柏瑞滬深 300 交易型開放式指數證券投資基金)	Others	0.68	11,194,657	0	Not applicable	0
Postal Savings Bank of China Co., Ltd. Others – Eastern New Energy Vehicle Theme Hybrid Securities Investment Fund (中國郵政儲蓄銀行股份有限公司 – 東方新能源汽車主題混合型證券投資基金)	Others	0.67	10,964,711	0	Not applicable	0

Shareholdings of the top ten shareholders
(the shares lent through the Securities Lending Business for Refinancing are not included)

Name of shareholders	Nature of shareholders	Proportion of shareholding	Number of shares held	Number of shares held subject to lock-up	Shares pledged, marked or frozen	
					Status of shares	Number
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-End Index-based Initiated Securities Investment Fund (中國建設銀行股份有限公司 – 易方達滬深 300 交易型開放式指數發起式證券投資基金)	Others	0.47%	7,777,778	0	Not applicable	0
Industrial and Commercial Bank of China Limited – China Universal CSI New Energy Vehicle Industry Index-based Initiated Securities Investment Fund (中國工商銀行股份有限公司 – 匯添富中證新能源汽車產業指數型發起式證券投資基金)(LOF)	Others	0.43%	7,126,425	0	Not applicable	0
Bank of China Limited – Harvest CSI 300 Exchange Traded Open-End Index-based Initiated Securities Investment Fund (中國銀行股份有限公司 – 嘉實滬深 300 交易型開放式指數證券投資基金)	Others	0.37%	6,036,100	0	Not applicable	0

Shareholdings of top ten shareholders holding shares without lock-up

Name of shareholders	Number of shares held without lock-up	Class of shares	
		Class of shares	Number
Chengdu Tianqi Industrial (Group) Co., Limited	416,316,432	RMB denominated ordinary shares	416,316,432
HKSCC NOMINEES LIMITED	164,085,575	Overseas listed foreign shares	164,085,575
Zhang Jing	68,679,877	RMB denominated ordinary shares	68,679,877
Hong Kong Securities Clearing Company Limited	65,441,132	RMB denominated ordinary shares	65,441,132
China Securities Finance Corporation Limited	27,853,574	RMB denominated ordinary shares	27,853,574

Shareholdings of top ten shareholders holding shares without lock-up

Name of shareholders	Number of shares held without lock-up	Class of shares	
		Class of shares	Number
Industrial and Commercial Bank of China Limited – Huatai-Pinebridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund (中國工商銀行股份有限公司 – 華泰柏瑞滬深 300 交易型開放式指數證券投資基金)	11,194,657	RMB denominated ordinary shares	11,194,657
Postal Savings Bank of China Co., Ltd. - Eastern New Energy Vehicle Theme Hybrid Securities Investment Fund (中國郵政儲蓄銀行股份有限公司 – 東方新能源汽車主題混合型證券投資基金)	10,964,711	RMB denominated ordinary shares	10,964,711
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-End Index-based Initiated Securities Investment Fund (中國建設銀行股份有限公司 – 易方達滬深 300 交易型開放式指數發起式證券投資基金)	7,777,778	RMB denominated ordinary shares	7,777,778
Industrial and Commercial Bank of China Limited – China Universal CSI New Energy Vehicle Industry Index-based Initiated Securities Investment Fund (中國工商銀行股份有限公司 – 匯添富中證新能源汽車產業指數型發起式證券投資基金)(LOF)	7,126,425	RMB denominated ordinary shares	7,126,425
Bank of China Limited – Harvest CSI 300 Exchange Traded Open-End Index-based Initiated Securities Investment Fund (中國銀行股份有限公司 – 嘉實滬深 300 交易型開放式指數證券投資基金)	6,036,100	RMB denominated ordinary shares	6,036,100

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

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

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

None

Information on the shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders holding shares without lock-up participating in the Securities Lending Business for Refinancing

3 Applicable Not applicable

Unit: Shares

Information on the shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders holding shares without lock-up participating in the Securities Lending Business for Refinancing

Name of shareholders (full name)	Ordinary and credit account holdings as of the beginning of the Reporting Period		Unreturned shares lent under refinancing as of the beginning of the Reporting Period		Ordinary and credit account holdings as of the end of the Reporting Period		Unreturned shares lent under refinancing as of the end of the Reporting Period	
	Total number of shares	Proportion of total share capital	Total number of shares	Proportion of total share capital	Total number of shares	Proportion of total share capital	Total number of shares	Proportion of total share capital
Bank of China Limited – Harvest CSI 300 Exchange Traded Open-End Index-based Initiated Securities Investment Fund (中國銀行股份有限公司 – 嘉實滬深 300 交易型開放式指數證券投資基金)	2,396,500	0.15%	53,900	0.00%	6,036,100	0.37%	0	0.00%
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-End Index-based Initiated Securities Investment Fund (中國建設銀行股份有限公司 – 易方達滬深 300 交易型開放式指數發起式證券投資基金)	2,819,978	0.17%	71,100	0.00%	7,777,778	0.47%	65,500	0.00%
Industrial and Commercial Bank of China Limited – China Universal CSI New Energy Vehicle Industry Index-based Initiated Securities Investment Fund (中國工商銀行股份有限公司 – 匯添富中證新能源汽車產業指數型發起式證券投資基金)(LOF)	7,158,125	0.44%	243,500	0.01%	7,126,425	0.43%	36,100	0.00%
China Securities Finance Corporation Limited Industrial and Commercial Bank of China Limited – Huatai-Pinebridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund (中國工商銀行股份有限公司 – 華泰柏瑞滬深 300 交易型開放式指數證券投資基金)	7,664,657	0.47%	113,700	0.01%	11,194,657	0.68%	0	0.00%

The top 10 shareholders and the top 10 shareholders holding shares without lock-up have changed from the corresponding period of last year due to refinancing lending/returning.

Applicable Not applicable

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

Applicable 3 Not applicable

III. OTHER MAJOR ISSUES

3 Applicable Not applicable

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

In order to further broaden the Company's financing channels, optimize the debt financing structure, and diversify its debt financing instruments to ensure the stability of cash flows, the thirty-fifth meeting of the fifth session of the Board of Directors and the 2022 annual general meeting were convened by the Company on 30 March 2023 and 16 June 2023, respectively, which considered and passed the "Proposal on the Application for Registration and Issuance of Debt Financing Instruments". The Company intended to file an application to the National Association of Financial Market Institutional Investors (the "NAFMII") for the registration and issuance of debt financing instruments of no more than RMB6.0 billion (including RMB6.0 billion), which would be issued in several tranches according to the actual capital needs. In March 2024, the Company received the "Notification of Registration Acceptance" issued by the NAFMII. The NAFMII agreed to accept the registration of the Company's short-term commercial paper and medium-term notes. The registered amount for the short-term commercial paper is RMB2 billion and the registered amount for the medium-term notes is RMB4 billion. On 12 April 2024, the Company successfully issued the first tranche of short-term commercial paper for the year 2024. The total amount issued for the first tranche of short-term commercial paper for the year 2024 is RMB300 million, with an interest rate of 2.35% and a validity period of 1 year.

2. Proposed implementation of commodity futures hedging business

On 27 March 2024, the sixth session of the Board of Directors held its 12th meeting and the sixth session of the Board of Supervisors convened its 6th meeting, during which the "Proposal regarding the Implementation of Lithium Carbonate Commodity Futures Hedging Business" was considered and approved. In order to mitigate potential risks arising from fluctuations in the prices of the Company's main products, the Company intends to engage in commodity futures hedging business related to its production and operations. The upper limit of transaction margin and premium (including the value of collateral provided for transaction, expected utilization of financial institution credit lines, and margin reserved for emergency measures, etc.) shall not exceed RMB200 million. The maximum contract value held on any trading day shall not exceed RMB800 million (including relevant amounts from the proceeds of aforementioned transactions for re-trading). This limit can be utilized in a revolving manner within the validity period.

The Company has established a hedging leadership group, which has clearly defined regulations regarding the operation norms, approval authority, organizational structure and responsibilities, business processes, risk management, and financial handling of commodity futures options. Professional personnel are allocated to each position, and corresponding risk control measures have been implemented. The Company has established a relatively complete system for commodity futures hedging operations, with clear provisions on the amount limit, commodity varieties, and specific implementation of hedging operations. The targeted risk control measures adopted are feasible and are supported by the Company's proprietary funds that match the trading margin required for the proposed hedging operations. The Company will strictly adhere to the requirements of relevant regulations and systems, implement risk prevention measures, and conduct operations with caution. The implementation of commodity futures hedging business by the Company will not affect the development of its main business or significantly impact the Company's capital utilization arrangements. As of the date of this report, the Company has not yet commenced actual commodity futures hedging operations.

3. Progress of battery-grade lithium hydroxide monohydrate project with an annual capacity of 24,000 tons in Kwinana, Australia

At the 31st meeting of the third session of the Board of Directors convened by the Company on 5 September 2016, the "Proposal on Construction of the Battery-grade Lithium Hydroxide Monohydrate Project with an Annual Capacity of 24,000 Tons" was considered and approved, pursuant to which the Company proposed to invest and construct the Battery-grade Lithium Hydroxide Monohydrate Project in Kwinana, Australia with an annual capacity of 24,000 tons (the "**Lithium Hydroxide Project (Train I)**" or "**the Project**"). The Project was carried out by TLK, a controlling subsidiary of the Company incorporated in Australia. The Company disclosed the announcements in relation to the progress of the Lithium Hydroxide Project (Train I) in May and December 2022 respectively. As disclosed in those announcements, after multiple times of commissioning and optimization of the Project, the first batch of approximately 10 tons of lithium hydroxide products passed our internal laboratory's sampling test, and on 19 May 2022, all parameters were confirmed to meet the battery-grade lithium hydroxide standard. Subsequently, samples of this batch of lithium hydroxide products were sent by TLK to SGS-CSTC Standards Technical Services Co., Ltd. in China for independent inspection, and this third-party laboratory confirmed such samples met the GB/T26008-2020 standard in November 2022. TLK has gradually distributed samples of such lithium hydroxide products to potential purchasers for the purpose of customer certification as planned, which is expected to take four to eight months. TLK's management reasonably estimated that the output of the Project was expected to grow steadily from December 2022. Therefore, the Company was of the view that the capacity of the Lithium Hydroxide Project (Train I) would have been up to the standard of commercialized production since 30 November 2022. The Train I Lithium Hydroxide production line has been in stable production from January to April 2023 since its commercial production realized in December 2022, and is in the stage of capacity ramp-up; the Project started equipment maintenance in April 2023 as scheduled, and then encountered some technical problems; it has resumed production on 19 June 2023 and is in the stage of capacity ramp-up as of the date of this report.

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

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

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

On 4 December 2017, the “Proposal on Signing the Investment Agreement” was approved at the eleventh meeting of the fourth session of the Board of Directors of the Company and “Investment Agreement” was signed with the People’s Government of Anju District, Suining City. Both parties reached a cooperation consensus in respect of the Company’s project of “New Lithium Carbonate Plant with Annual Capacity of 20,000 Tons” (the “**Anju Project**” or “**this Project**”) in the Chemical Industrial Park of Anju District, Suining City, with a total capital investment of approximately RMB1.5 billion. On 7 September 2018, the Proposal on the Construction of “Lithium Carbonate Plant with an Annual capacity of 20,000 Tons in Anju District of Suining of Tianqi Lithium” was reviewed and approved at the 22nd meeting of the fourth session of the Board of Directors held by the Company, which agreed that the Company would launch the construction of a battery-grade lithium carbonate plant with an annual capacity of 20,000 tons in Anju District of Suining. This Project was carried out by Suining Tianqi, a wholly-owned subsidiary of the Company and this Project is located in Andong Avenue Chemical Industrial Park, Industrial Concentration Zone, Anju District, Suining City, Sichuan Province; the total capital investment of this Project is expected to be RMB1,431.01 million with the funds being self-raised.

In July 2022, the Company’s management reviewed the progress and budget usage of this Project as well as the construction bidding process and agreed to increase this Project’s budget to RMB1,484,192,800. In October 2022, the Company’s budget management team finally approved the budget of this Project to be RMB1,477,807,100. This Project was completed and started load commissioning as of 27 October 2023. After multiple times of commissioning and optimization, the first batch of battery-grade lithium carbonate products of Anju Project passed our internal laboratory’s sampling test, and on 21 December 2023, all parameters were confirmed to meet the battery-grade lithium carbonate standard. As at the date of this announcement, products of the Anju Project have obtained certification from certain customers and have commenced external sales.

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

On 30 May 2023, Sichuan Tianqi Shenghe Lithium Co., Ltd. (四川天齊盛合鋰業有限公司) (“Shenghe Lithium”), a former wholly-owned subsidiary of the Company, introduced a strategic investor Zijin Mining, by means of capital increase and share capital expansion. According to the “Capital Increase and Share Capital Expansion Agreement” entered into by them, in this capital increase, Zijin Lithium (Hainan) Co., Ltd. 紫金鋰業(海南)有限公司 (“Hainan Zijin Lithium”), a wholly-owned subsidiary of Zijin Mining Group Co., Ltd. (紫金礦業集團股份有限公司) (“Zijin Mining”), proposed to contribute cash to subscribe for the newly registered capital of Shenghe Lithium. The Company and its wholly-owned subsidiary Shehong Tianqi waived all the preemptive rights for capital contribution to Shenghe Lithium. Upon completion of this capital increase, the Company holds 39.20% equity interest in Shenghe Lithium, Tianqi Lithium (Shehong) Co., Limited (天齊鋰業(射洪)有限公司) (“Shehong Tianqi”), a wholly-owned subsidiary of the Company, holds 40.80% equity interest in Shenghe Lithium, and Hainan Zijin Lithium holds 20% equity interest in Shenghe Lithium. Upon completion of the capital increase and share capital expansion, the Company still has control over Shenghe Lithium, and Shenghe Lithium is still included in the consolidated statements of the Company. As of the date of this announcement, the transaction has been completed. In addition, Shenghe Lithium has obtained the filing of the Tebaigou tailings storage facility project of Cuola Spodumene Mine by the Yajiang County Development and Reform Bureau on 9 January 2024. On 18 March 2024, Shenghe Lithium entered into the “Agreement on Co-construction and Sharing of the 220kV Power Transmission and Transformation Project of the Jiajika Mine Area” in Chengdu with Yajiang Sinuwei Mining Development Co., Ltd. (雅江縣斯諾威礦業發展有限公司) and Yajiang Huirong Mining Co., Ltd. (雅江縣惠絨礦業有限責任公司). The three parties were going to jointly establish a joint venture company, which will invest in the construction of the 220kV power transmission and transformation project to meet the electricity needs of all parties.

6. SQM, an investee of the Company, entered into MOU with Corporación Nacional del Cobre de Chile

The Company invested USD4.066 billion in 2018 to acquire 23.77% equity interests in Sociedad Química y Minera de Chile S.A. (“SQM”), a company in Chile, becoming its second largest shareholder. To date, the Company holds a total of approximately 22.16% equity interests in SQM.

On 27 December 2023, SQM entered into a non-legally binding Memorandum of Understanding (“**MoU**”) with Corporación Nacional del Cobre de Chile (“**Codelco**”) with respect to the operation and development of the Salar de Atacama during the period from 2025 to 2060. The MoU is a framework agreement upon which both companies hope to build a partnership to produce high-quality lithium products in the Salar de Atacama in a sustainable manner and in harmony with the communities. In order to achieve that, SQM and Codelco will establish a joint venture based on their partnership. The joint venture will be responsible for the production of lithium carbonate and lithium hydroxide on the properties that are currently leased by SQM from Corfo in the Salar de Atacama and will be responsible for the execution of different projects and the sales of lithium worldwide. SQM mentioned in the announcement that this partnership will permit an efficient transition between “the current SQM lease contracts with Corfo, which expire in 2030”, and “the lease contracts that Codelco has from 2031 to 2060”. In addition, the partnership of related parties is subject to the fulfilment of a number of conditional precedents, including: 1) obtaining authorisations from the Comisión Chilena de Energía Nuclear that are necessary for the exploitation of the leased concessions; 2) notification to and approval of antitrust authorities in Chile and certain other countries; 3) conclusion of the indigenous consultation process; 4) satisfaction of each of the parties with the technical and legal due diligence review process of SQM Salar S.A. and Minera Tarar SpA. Based on previous consultations with the Chilean Financial Market Commission (“**CMF**”), the board of directors of SQM has agreed that the transaction contemplated in the MoU will not be proposed for a vote at the shareholders’ meetings and was scheduled to sign a formal agreement with Codelco at the end of March.

On 20 March 2024, SQM announced that it would enter into good faith negotiations with Codelco in order to further amend the MoU signed by the two parties as announced on 27 December 2023, and postpone the signing of the document that specifies the partnership from 31 March 2024 to 31 May 2024. Meanwhile, SQM provided supplementary information about the MoU.

In order to obtain more open, transparent and sufficient information, the Company requested SQM to convene an extraordinary shareholders’ meeting for information. SQM held an extraordinary shareholders’ meeting on 21 March 2024 and made a public announcement concerning the content of this shareholders’ meeting. On 28 March 2024, the Company once again requested SQM to convene a new extraordinary shareholders’ meeting to discuss and vote on the transaction contemplated in the MoU. SQM convened an extraordinary shareholders’ meeting to discuss the transaction contemplated in the MoU on 24 April 2024. In addition, SQM published an announcement on 10 April 2024, stating that the board of directors of SQM agreed not to submit to shareholders the voting of the approval of the partnership with Codelco, given that: (1) up to the current date, there is neither a partnership agreement nor a final legal structure on the transaction with Codelco to be approved; and (2) according to a previous consultation made by SQM to the CMF, which indicated in the letter (No. 27980) dated 29 February 2024 that it would be appropriate to approve the partnership transaction with Codelco by the board of directors of the SQM and not by the shareholders.

Given that the MoU disclosed by SQM is a non-legally binding framework agreement, and the details of the definitive agreement remain to be determined through further negotiations, the Company is currently unable to obtain sufficient information to fully assess whether the transaction under the MoU is in the best interest of SQM and its shareholders and what impact it may have on the Company's investment in SQM. As the matter is still under negotiation and its future implementation and impact are still subject to considerable uncertainty, the Company does not have sufficient information to make a decision on the next step at present.

Based on the current MoU and related content released by SQM, SQM's exploitation and operation rights for the lithium business in the Salar de Atacama are expected to be extended from its expiration in 2030 to 2060; however, in and after 2031, the core lithium business of SQM in the Salar de Atacama will be controlled by Codelco. Due to the limited information available and the fact that the definitive transaction agreement is still under negotiation, the Company is not in a position to determine whether it will affect SQM's revenues from the lithium business in Salar de Atacama. For this reason, the Company has twice taken the initiative to request that shareholders' meetings be convened to obtain more detailed information and to request that the relevant transaction be submitted to the shareholders' meeting for consideration and approval. If SQM does not subsequently convene a shareholders' meeting to consider the definitive transaction agreement relating to the MoU, the Company, as its second largest shareholder of SQM, may not be able to exercise the relevant shareholders' rights to protect its interests.

The Company will further pay attention to the progress related to the signing of the subsequent definitive agreement or other transaction documents by SQM in respect of the potential transaction under the MoU, dynamically assess the impact on the Company, take risk control measures in a timely manner, strengthen the communication and coordination with the relevant parties, and proactively respond to various contingencies, so as to protect the Company's and the shareholders' interest from being jeopardised. With regard to the follow-up progress and specific impact of this matter, the Company will fulfil the decision-making procedures and information disclosure obligations when necessary and comply with relevant laws and regulations to ensure the information is disclosed in a truthful, accurate and complete manner.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial statements

1. Consolidated balance sheet

Prepared by: Tianqi Lithium Corporation

31 March 2024

Unit: RMB

Item	Balance at the end of the Reporting Period	Balance at the beginning of the Reporting Period
Current assets:		
Monetary fund	9,286,835,492.48	9,588,520,244.89
Clearing settlement fund		
Capital lending		
Financial assets held for trading	108,000,000.00	14,824,207.44
Derivative financial assets		
Bills receivable	73,214,627.93	65,805,130.12
Accounts receivable	1,344,209,196.45	4,316,187,708.12
Accounts receivable financing	627,746,239.14	80,697,283.76
Prepayments	60,515,446.57	85,099,794.52
Premium receivable		
Reinsurance receivable		
Reinsurance contract reserves receivable		
Other receivables	166,549,068.86	181,667,971.02
Including: Interest receivable		
Dividends receivable	95,896,683.21	98,409,162.43
Financial assets under reselling agreement		
Inventories	2,993,657,402.73	3,150,500,221.80
Including: data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,975,461,270.70	2,145,737,900.75
Total current assets	16,636,188,744.86	19,629,040,462.42

Item	Balance at the end of the Reporting Period	Balance at the beginning of the Reporting Period
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	25,345,837,661.72	26,873,607,682.35
Other equity instrument investments	2,473,725,384.09	1,583,174,034.90
Other non-current financial assets		
Investment properties		
Fixed assets	10,614,535,039.53	9,079,609,360.11
Construction in progress	6,487,260,895.42	7,287,172,322.12
Biological assets for production		
Fuel assets		
Right-of-use assets	1,180,562,988.22	1,270,542,356.25
Intangible assets	3,547,523,474.48	3,839,783,245.62
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill	416,100,700.47	416,100,700.47
Long-term deferred expenses	15,563,361.54	16,207,141.39
Deferred income tax assets	3,098,863,624.02	3,171,228,303.19
Other non-current assets	132,310,017.50	61,998,828.79
Total non-current assets	53,312,283,146.99	53,599,423,975.19

Item	Balance at the end of the Reporting Period	Balance at the beginning of the Reporting Period
Total assets	69,948,471,891.85	73,228,464,437.61
Current liabilities:		
Short-term loans	334,799,740.00	337,372,340.00
Loans from PBOC		
Capital borrowed		
Financial liabilities held for trading		
Derivative financial liabilities		
Bills payable	195,449,257.55	208,981,712.37
Accounts payable	1,507,335,598.45	2,311,469,949.74
Advances from customers		
Contract liabilities	73,664,146.34	37,448,267.27
Financial assets sold under repurchase agreements		
Deposit taking and deposit in the inter-bank market		
Acting trading securities		
Acting underwriting securities		
Staff salaries payable	173,411,015.88	198,077,886.68
Taxes payable	2,117,840,389.51	2,393,643,779.87
Other payables	28,060,158.77	379,707,259.85
Including: Interest payable		
Dividends payable	1,184,850.10	348,664,155.77
Charges and commissions payable		
Reinsurance payable		
Liabilities held for sale		
Non-current liabilities due within one year	634,293,849.58	752,755,249.48
Other current liabilities	58,827,608.17	40,410,640.17
Total current liabilities	5,123,681,764.25	6,659,867,085.43

Item	Balance at the end of the Reporting Period	Balance at the beginning of the Reporting Period
Non-current liabilities:		
Insurance contract liabilities		
Long-term loans	9,267,810,142.37	9,544,758,108.47
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	1,042,600,624.36	1,122,100,305.34
Long-term payables		
Long-term staff salaries payable	45,581,152.66	57,344,228.79
Estimated liabilities	321,185,666.74	323,975,253.44
Deferred income	54,999,645.66	56,343,783.50
Deferred income tax liabilities	1,267,542,911.82	1,227,432,881.00
Other non-current liabilities		
Total non-current liabilities	11,999,720,143.61	12,331,954,560.54
Total liabilities	17,123,401,907.86	18,991,821,645.97
Shareholders' equity:		
Share capital	1,641,221,583.00	1,641,221,583.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	23,743,659,691.56	23,736,788,830.24
Less: Treasury shares	199,985,012.86	199,985,012.86
Other comprehensive income	260,891,997.74	76,456,526.10
Special reserves	24,346,622.79	20,297,120.27
Surplus reserves	831,954,051.59	831,954,051.59
General risk provision		
Undistributed earnings	21,516,140,135.10	25,412,924,969.84
Total equity attributable to shareholders of the Company	47,818,229,068.92	51,519,658,068.18
Minority interests	5,006,840,915.07	2,716,984,723.46
Total shareholders' equity	52,825,069,983.99	54,236,642,791.64
Total liabilities and shareholders' equity	69,948,471,891.85	73,228,464,437.61

Legal representative: Jiang Weiping	Person in charge of the accounting: Zou Jun	Head of the accounting department: Wen Qian
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2. Consolidated income statement

Unit: RMB

Item	The amount for the current period	The amount for the previous period
I. Total operating income	2,584,634,945.21	11,448,674,607.22
Including: Operating income	2,584,634,945.21	11,448,674,607.22
Interest income		
Earned premiums		
Fees and commission income		
II. Total operating costs	1,730,053,221.55	1,237,908,562.54
Including: Operating costs	1,333,898,979.94	1,168,235,984.45
Interest expenses		
Fees and commission expenses		
Payments to surrenders of insurance contracts		
Net amount of insurance claims expenses		
Net provision for insurance claims expenses		
Insurance policy dividend expenses		
Reinsurance expenses		
Taxes and surcharges	9,607,861.53	23,018,640.22
Selling expenses	3,762,998.47	7,910,274.55
Administrative expenses	120,470,716.61	112,270,493.12
Research and development expenses	8,665,204.59	7,814,860.79
Financial expenses	253,647,460.41	-81,341,690.59
Including: Interest expenses	141,823,173.65	95,838,057.38
Interest income	104,945,421.58	70,646,195.51

Item	The amount for the current period	The amount for the previous period
Add: Other income	6,822,559.26	55,514,875.91
Investment income (“-”for losses)	-1,327,208,450.82	1,412,343,884.49
Including: Investment income from associates and joint ventures	-1,388,297,012.44	1,412,343,884.49
Gains from derecognition of financial assets measured at amortized cost		
Exchange gains (“-”for losses)		
Net exposure hedging income (“-”for losses)		
Gains from changes in fair value (“-”for losses)	5,035,513.63	
Credit impairment losses (“-”for losses)	3,061,772.41	77,200,989.81
Asset impairment losses (“-”for losses)	-56,646,111.95	
Gains from asset disposals (“-”for losses)		11,719.03
III. Operating profit (“-” for losses)	-514,352,993.81	11,755,837,513.92
Add: Non-operating income	8,407,132.33	2,253,428.46
Less: Non-operating expenses	1,271,739.94	2,000,842.60
IV. Total profit (“-” for total losses)	-507,217,601.42	11,756,090,099.78
Less: Income tax expenses	323,338,719.56	3,302,335,319.13

Item	The amount for the current period	The amount for the previous period
V. Net profit (“-” for net losses)	-830,556,320.98	8,453,754,780.65
(i) Classified by continuing operations		
1. Net profit from continuing operations (“-”for net losses)	-830,556,320.98	8,453,754,780.65
2. Net profit from discontinued operations (“-”for net losses)		
(ii) Classified by ownership		
1. Shareholders of the parent company (“-”for net losses)	-3,896,784,834.74	4,875,226,485.40
2. Non-controlling interests	3,066,228,513.76	3,578,528,295.25
VI. Other comprehensive income, net of tax	-478,337,129.18	-592,736,031.35
Other comprehensive income (net of tax) attributable to shareholders of the Company	184,435,471.64	-392,577,263.19
(i) Items that will not be reclassified to profit or loss	-161,762,900.03	-52,189,850.20
1. Changes in amount of remeasurement of defined benefit plan		
2. Other comprehensive income that cannot be transferred into profit and loss under equity method		
3. Changes in fair value of other equity instrument investments	-161,762,900.03	-52,189,850.20
4. Changes in fair value of enterprise’s own credit risk		
5. Others		

Item	The amount for the current period	The amount for the previous period
(ii) Items that may be reclassified subsequently to profit or loss	346,198,371.67	-340,387,412.99
1. Other comprehensive income that can be transferred into profit and loss under equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets to be reclassified into other comprehensive income		
4. Credit impairment provisions for other debt investments		
5. Cash flow hedge reserve		
6. Exchange differences on translation of financial statements of subsidiaries outside of the mainland China	346,198,371.67	-340,387,412.99
7. Others		
Other comprehensive income (net of tax) attributable to non-controlling interests	-662,772,600.82	-200,158,768.16
VII. Total comprehensive income	-1,308,893,450.16	7,861,018,749.30
Total comprehensive income attributable to shareholders of the Company	-3,712,349,363.10	4,482,649,222.21
Total comprehensive income attributable to non-controlling interests	2,403,455,912.94	3,378,369,527.09
VIII. Earnings per share:		
(i) Basic earnings per share	-2.38	2.97
(ii) Diluted earnings per share	-2.38	2.97

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

Legal representative:	Person in charge of the accounting:	Head of the accounting department:
Jiang Weiping	Zou Jun	Wen Qian

3. Consolidated cash flow statement

Unit:RMB

Item	Amount for the current period	The amount for the previous period
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	4,824,974,160.43	10,215,865,442.32
Net increase in deposits from customers and inter-banks deposits		
Net increase in loans from PBOC		
Net increase in loans from other financial institutions		
Cash receipts of premium of direct insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from insurance policy holders and investment		
Cash receipts of interest, fees and commission		
Net increase in capital borrowed		
Net increase in funds of repurchase operations		
Net cash received from acting trading securities		
Tax refunds received	222,648,642.78	107,143,789.17
Cash received relating to other operating activities	84,770,058.13	127,322,723.00
Sub-total of cash inflows from operating activities	5,132,392,861.34	10,450,331,954.49
Cash paid for goods and services	1,172,633,135.98	2,127,652,408.06
Net increase in loans and advances to customers		
Net increase in deposits with central bank and inter-banks		
Cash paid for claims of direct insurance contracts		
Net increase in capital lending		
Cash paid for interest, fees and commission		
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	310,192,373.65	245,796,550.44
Payments of taxes and surcharges	451,975,941.15	2,906,030,712.13
Cash paid relating to other operating activities	53,222,959.21	234,741,045.93
Sub-total of cash outflows from operating activities	1,988,024,409.99	5,514,220,716.56
Net cash flows from operating activities	3,144,368,451.35	4,936,111,237.93

Item	Amount for the current period	The amount for the previous period
II. Cash flows from investment activities:		
Cash received from withdrawal of investments	240,079,906.99	
Cash received from investment income	1,714,790.50	13,132,284.22
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		26,928.00
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	3,435,800.00	88,600.00
Sub-total of cash inflows from investing activities	245,230,497.49	13,247,812.22
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,268,543,965.35	721,488,000.49
Cash paid for investments	1,065,885,000.00	
Net increase in pledged lending		
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities	4,196,979.55	647,106.41
Sub-total of cash outflows from investing activities	2,338,625,944.90	722,135,106.90
Net cash flows from investing activities	-2,093,395,447.41	-708,887,294.68
III. Cash flows from financing activities:		
Cash received from investments		1,990,000.00
Including: Cash received by subsidiaries from investment of non-controlling interests		1,990,000.00
Cash received from borrowing	3,415,262,725.77	3,967,835,566.25
Cash received relating to other financing activities	86,331,588.15	
Sub-total of cash inflows from financing activities	3,501,594,313.92	3,969,825,566.25
Cash paid for repayment of borrowings	3,880,607,010.49	3,529,077,025.04
Cash paid for dividends, profits or payments of interests	608,767,670.26	5,300,375,574.95
Including: Dividends and profits paid to non- controlling interests by subsidiaries	459,652,679.29	5,193,527,663.60
Cash paid relating to other financing activities	54,002,185.84	43,240,760.88
Sub-total of cash outflows from financing activities	4,543,376,866.59	8,872,693,360.87
Net cash flows from financing activities	-1,041,782,552.67	-4,902,867,794.62

Item	Amount for the current period	The amount for the previous period
IV. Effects of changes in exchange rate on cash and cash equivalents	-224,672,325.55	-80,737,911.87
V. Net increase in cash and cash equivalents	-215,481,874.28	-756,381,763.24
Add: Opening balance of cash and cash equivalents	9,330,479,516.73	12,289,948,393.30
VI. Closing balance of cash and cash equivalents	9,114,997,642.45	11,533,566,630.06

Legal representative: Jiang Weiping	Person in charge of the accounting: Zou Jun	Head of the accounting department: Wen Qian
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(II) The relevant items in the financial statements at the beginning of the year being adjusted as the new accounting standards be implemented for the first time in 2024

Applicable Not applicable

(III) Audit Report

Has the first quarterly report been audited

Yes No

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

By order of the Board
Tianqi Lithium Corporation
Jiang Anqi
Chairlady of the Board and Executive Director

Hong Kong, 29 April 2024

As at the date of this announcement, the Board comprises Mr. Jiang Weiping, Ms. Jiang Anqi, Mr. Ha, Frank Chun Shing and Mr. Zou Jun as executive directors, and Mr. Xiang Chuan, Ms. Tang Guoqiong, Ms. Huang Wei and Ms. Wu Changhua as independent non-executive directors.