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## SUMMARY

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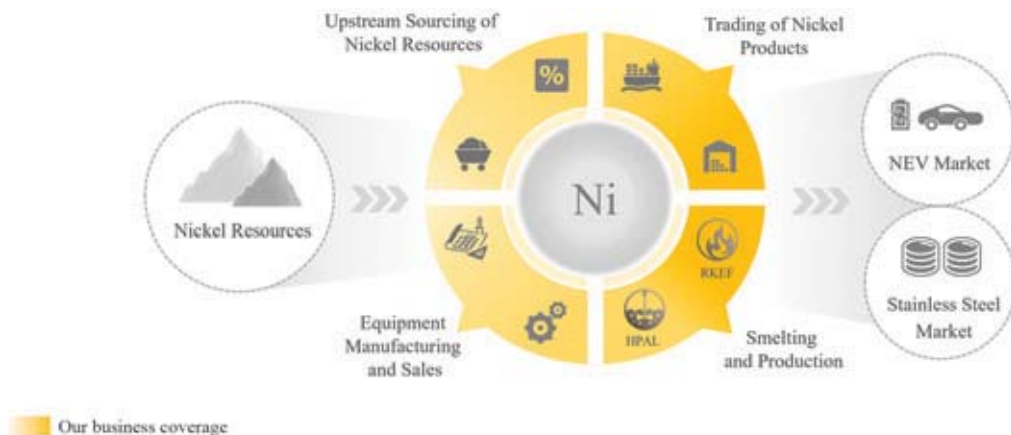
*This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set forth in the section headed “Risk Factors” in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.*

### OVERVIEW

We are a company with business across the entire nickel industry value chain. We are engaged in both the trading and the production of nickel products. For nickel product trading, we ranked first globally in terms of nickel product trading volume in 2021, and first in China in terms of nickel ore trading volume in 2021, with a market share of 26.8% in 2021, according to the CIC Report. For nickel product production, the HPAL project (the “**HPAL project**”) on the Obi Island, Indonesia, which we have jointly developed with our Indonesian Partner, is one of the most technically advanced nickel-cobalt compound hydrometallurgy projects worldwide, and has the lowest cash cost among all nickel-cobalt compound production projects worldwide, according to the CIC Report.

Leveraging in-depth industry knowledge accumulated over the years, we have built a comprehensive product and service portfolio covering multiple areas across the nickel industry value chain, from upstream sourcing of nickel resources, trading and production of nickel products, to equipment manufacturing and sale. We continue to expand upstream and downstream in the nickel industry, vertically integrating across the nickel industry value chain. Our products are widely used in various downstream sectors including the NEV and stainless steel industries.

The following diagram illustrates our main businesses:



During the Track Record Period, our financial results demonstrated our robust business operation capabilities. While our financial performance was temporarily affected by the Indonesian government’s export ban on nickel ore implemented in January 2020 (see “— Indonesian

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## SUMMARY

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Government’s Export Ban on Laterite Nickel Ore” for more details), our revenue and net profit quickly recovered in 2021, primarily due to (i) increases in the average selling prices and sales volume of nickel ore and ferronickel for our trading business, and (ii) revenue and net profit contribution from HPL to our trading business and production business since the commencement of production of phase I of the HPAL project in May 2021. Our revenue and net profit increased significantly in the six months ended June 30, 2022 compared to the same period in 2021, primarily because we began to generate revenue from the sales of our self-produced nickel-cobalt compounds since November 30, 2021 as a result of our consolidation of HPL. As a result of the foregoing, in 2019, 2020 and 2021 and the six months ended June 30, 2021 and 2022, our revenue was RMB9,347.4 million, RMB7,755.2 million, RMB12,449.3 million, RMB4,088.3 million and RMB9,978.3 million, respectively, and our net profit was RMB566.7 million, RMB518.3 million, RMB1,260.0 million, RMB89.0 million and RMB2,289.6 million, respectively. See “Financial Information — Results of Operations” for more details.

### **Our Business Model**

We generate revenues primarily from the trading and production of nickel products, and to a lesser extent, equipment manufacturing and sale, and other businesses.

**Trading of nickel products.** Our journey in the nickel industry started from the trading of nickel products. We have been engaged in the trading of nickel products since our inception in 2009. In 2019, 2020, 2021 and the six months ended June 30, 2021 and 2022, nickel product trading contributed 69.5%, 64.5%, 70.4%, 70.1% and 42.1% of our revenues, respectively. Although we generated a majority of our revenue from the trading of nickel products for most of the Track Record Period, we have been actively expanding our nickel product production business in the past few years. Please see “Business — Production of Nickel Products” for more details.

- **Nickel ore trading.** We are China’s largest trading company of nickel ore. We primarily trade laterite nickel ore (with nickel content ranging from 0.6% to 1.8%) sourced from nickel mining companies in the Philippines and Turkey.
- **Ferronickel trading.** We also have extensive experience in the trading of ferronickel (with nickel content ranging from 8% to 14%) from Indonesian ferronickel manufacturers.
- **Nickel-cobalt compound trading.** Between June 2021 and November 2021 and before our consolidation of HPL (a 54.9% non-wholly owned subsidiary of our Company) on November 30, 2021, we also purchased nickel-cobalt compound products from HPL, the project company of phases I and II of the HPAL project. See “— Production of nickel products — Nickel-cobalt compound production” below for more details.

**Production of nickel products.** With the deep industry experience we have accumulated from the trading of nickel products over the years, we have also tapped into and are actively expanding our presence in the production of ferronickel and nickel-cobalt compounds. In 2019, 2020, 2021 and

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## SUMMARY

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the six months ended June 30, 2021 and 2022, nickel product production contributed 25.2%, 21.2%, 19.7%, 19.4% and 49.6% of our revenues, respectively. Our nickel product production business is expected to contribute a significant portion of our revenue going forward when the Obi projects are expected to achieve full scale operation.

- ***Ferronickel production.*** Our manufacturing facilities in Suqian, Jiangsu Province, China (the “**Jiangsu Facilities**”) have three production lines, which produce ferronickel using the Rotary Kiln-Electric Furnace process (the “**RKEF process**”), the mainstream process for nickel pyrometallurgy. The aggregate designed production capacity of our Jiangsu Facilities is 18,000 metal tons of ferronickel per annum. In addition, we and our Indonesian Partner are jointly developing the RKEF project on the Obi Island, North Maluku, Indonesia (the “**RKEF project**”) and together with the HPAL project, the “**Obi projects**”), a nickel pyrometallurgy project using the RKEF process. The RKEF project is in the process of constructing 20 ferronickel production lines which have commenced/are expected to commence production between the fourth quarter of 2022 and July 2024, with an aggregate designed production capacity of 280,000 metal tons of ferronickel per annum. The RKEF project ranked third among all projects utilizing the RKEF process that have commenced production or are under construction in Indonesia, with a market share of 15.6% in terms of annual designed production capacity as of the Latest Practicable Date; among all projects utilizing the RKEF process that have commenced production or under construction globally, the RKEF project has a market share of 9.0% in terms of annual designed production capacity as of the Latest Practicable Date. Phase I of the RKEF project is operated by HJF, in which we hold a 36.9% equity interest, and phase II of the RKEF project is operated by KPS, in which we hold a 65.0% equity interest.
- ***Nickel-cobalt compound production.*** As of the Latest Practicable Date, the HPAL project on the Obi Island, which we have jointly developed with our Indonesian Partner, had two nickel-cobalt compound production lines that have commenced production, with an aggregate designed production capacity of 37,000 metal tons of nickel cobalt compounds (including 4,500 metal tons of cobalt) per annum. The remaining four nickel-cobalt compound production lines of the HPAL project, with an aggregate designed production capacity of 83,000 metal tons of nickel cobalt compound per annum (including 9,750 metal tons of cobalt), are expected to commence production between December 2022 and December 2023. Among all nickel hydrometallurgy projects utilizing the High Pressure Acid Leach process (the “**HPAL process**”) that have commenced production or under construction in Indonesia, the HPAL project has the largest annual designed production capacity, with a market share of 34.3% as of the Latest Practicable Date. Among all nickel hydrometallurgy projects utilizing the HPAL process that have commenced production or under construction globally, the HPAL project has the largest annual designed production capacity, with a market share of 17.1% as of the Latest Practicable Date. Phases I and II of the HPAL project is operated by HPL. Prior to November 29, 2021, we held 36.9% equity interest in HPL, the project company of phases I and II of the HPAL project, and purchased nickel-cobalt compound products from HPL. We acquired an additional 18.0% equity

## SUMMARY

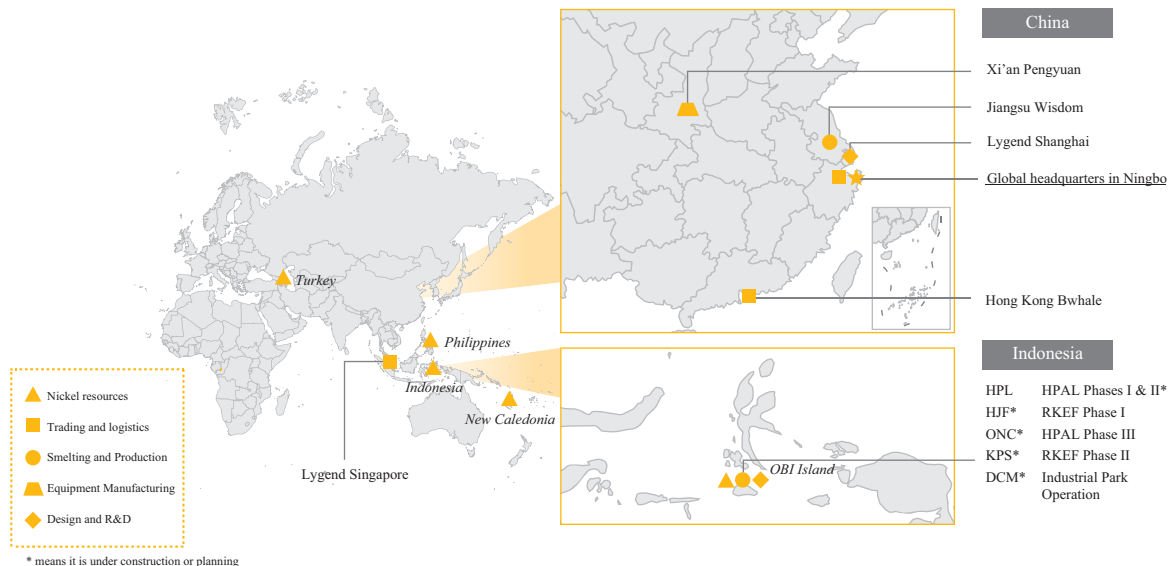
interest in HPL on November 29, 2021 and have since November 30, 2021 treated HPL as one of our subsidiaries, consolidating its financial results into our consolidated financial statements. Phase III of the HPAL project is operated by ONC, in which we hold a 60.0% equity interest.

We have been, and will continue to be, primarily responsible for the operation of the Obi projects, including the project planning and design, the construction of the production lines and other facilities, the purchase of relevant equipment, and the day-to-day operation of the facilities, production activities, research and development and product sales.

**Equipment manufacturing and sale.** We have further expanded our business operations to the manufacturing of equipment used in the production of nickel products. During the Track Record Period, we procured key equipment from third parties and exported to HPL and HJF according to the design of the Obi projects. We also manufactured various machinery and equipment used in the production of nickel products, which were sold to HPL, HJF and third parties. Equipment manufacturing and sale contributed 4.5%, 13.2%, 8.1%, 8.6% and 6.7% of our revenues in 2019, 2020, 2021 and the six months ended June 30, 2021 and 2022, respectively.

**Others.** We also generate a small portion of revenue from the provision of other products and services, primarily including (i) sale of wastes and provision of related services, (ii) vessel sublease, and (iii) sale of auxiliary materials to HJF, primarily including semi-coke and coke.

### Geographic Reach of Our Main Business Operations



In 2019, 2020 and 2021, nickel product trading contributed a majority of our total revenues. With the acquisition of HPL in November 2021 and the production lines under the HPAL and RKEF projects gradually commencing operation, our nickel product production business is expected to contribute a significantly higher portion of our total revenue starting 2022. Based on our current

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## SUMMARY

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estimation of (i) the market demand for nickel products and (ii) the production output of the Obi projects, once the Obi projects achieve full scale operation, revenue generated from our nickel product production business is expected to contribute more than 70% of our total revenue; within the nickel product production segment, more than 95% of our nickel product production revenue is expected to be generated from the Obi projects, with the remainder from our Jiangsu Facilities. As our nickel product production business has relatively higher margin (16.8%, 23.0%, 25.6%, 12.0% and 51.0% in 2019, 2020, 2021 and the six months ended June 30, 2021 and 2022, respectively) than that of our nickel product trading business (8.8%, 9.6%, 8.4%, 7.4% and 10.3% in 2019, 2020, 2021 and the six months ended June 30, 2021 and 2022, respectively), and the gross margin of nickel-cobalt compound production is even higher than that of ferronickel production, our overall profit margin and net profit is also expected to experience a significant increase. This increased emphasis on our nickel product production business will also lead to (i) changes in our cost structure, including but not limited to an increase in costs of raw materials and ancillary materials used in nickel product production, increased depreciation of production equipment, and increased labor costs as we recruit additional staff for our production and related activities, and (ii) changes in our asset-liability profile, including an increase in property, plant and equipment related to our production facilities, and increased borrowings in relation to the ongoing construction of our production projects.

In addition, this increased emphasis on our nickel product production business may expose us to a variety of risks and challenges, including but not limited to operational, regulatory and other risks related to doing business in Indonesia, our ability to maintain strong relationship with customers and suppliers for our production business, and growth in downstream demand for our nickel-cobalt compound products. See “Risk Factors — Risks Related to Our Business and Industry — Our nickel product production business is expected to contribute a significantly higher portion of our revenue going forward, particularly with the acquisition of HPL. This increased emphasis on our nickel product production business may have a material impact on results of operations and expose us to additional risks and challenges” for more details.

## SUMMARY

### Revenue by Business Segment

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

	Year ended December 31,						Six months ended June 30,			
	2019		2020		2021		2021		2022	
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)
	<i>(Unaudited)</i>									
<b>Nickel Product Trading</b>										
Laterite nickel ore . . . . .	5,121,164	54.8	3,126,720	40.3	4,780,838	38.4	1,683,474	41.2	2,311,259	23.1
Ferronickel . . . . .	1,377,120	14.7	1,878,785	24.2	2,739,369	22.0	1,047,751	25.6	1,898,965	19.0
Nickel-cobalt compounds <sup>(1)</sup> . . . . .	—	—	—	—	1,250,856	10.0	136,551	3.3	—	—
Subtotal . . . . .	6,498,284	69.5	5,005,505	64.5	8,771,063	70.4	2,867,776	70.1	4,210,224	42.1
<b>Nickel Product Production</b>										
Ferronickel . . . . .	2,357,449	25.2	1,642,049	21.2	1,538,886	12.4	793,323	19.4	983,785	9.9
Nickel-cobalt compounds <sup>(1)</sup> . . . . .	—	—	—	—	909,611	7.3	—	—	3,966,929	39.7
Subtotal . . . . .	2,357,449	25.2	1,642,049	21.2	2,448,497	19.7	793,323	19.4	4,950,714	49.6
<b>Equipment</b>										
<b>Manufacturing and Sale</b>										
Revenue from HPL and HJF <sup>(2)</sup> . . . . .	383,553	4.1	912,436	11.8	885,760	7.1	301,552	7.3	621,509	6.2
Revenue from independent third parties . . . . .	33,302	0.4	107,796	1.4	117,632	1.0	51,996	1.3	49,866	0.5
Subtotal . . . . .	416,855	4.5	1,020,232	13.2	1,003,392	8.1	353,548	8.6	671,375	6.7
<b>Others</b> . . . . .	74,846	0.8	87,388	1.1	226,366	1.8	73,639	1.9	145,970	1.6
<b>Total</b> . . . . .	<b>9,347,434</b>	<b>100.0</b>	<b>7,755,174</b>	<b>100.0</b>	<b>12,449,318</b>	<b>100.0</b>	<b>4,088,286</b>	<b>100.0</b>	<b>9,978,283</b>	<b>100.0</b>

*Notes:*

- (1) Prior to November 29, 2021, we held 36.9% equity interest in HPL, the project company of phases I and II of the HPAL project, and purchased nickel-cobalt compound products from HPL. We acquired an additional 18.0% equity interest in HPL on November 29, 2021 and has since November 30, 2021 treated HPL as one of our subsidiaries, consolidating its financial results into our consolidated financial statements. As such, our nickel product production business has started to generate revenue from the sale of nickel-cobalt compound products produced by the HPAL project since November 30, 2021.
- (2) Following the consolidation of HPL's financial results into our consolidated financial statement after November 30, 2021, revenue from our sale of machinery and equipment to HPL has been eliminated as intra-group transactions. However, given that (i) this segment is not our strategic focus, and (ii) revenue generated from this segment accounted for a small percentage of our total revenue during the Track Record Period, and is expected to further decrease going forward, the consolidation of HPL is not expected to have any material adverse effect on our operations. See "Financial Information — Principal Components of Consolidated Statements of Profit or Loss — Revenue" for more details.

## SUMMARY

Please refer to “Financial Information — Results of Operations” for a discussion on the fluctuation of our revenue during the Track Record Period.

### Revenue by Geographic Region

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

	Years ended December 31,						Six months ended June 30,			
	2019		2020		2021		2021		2022	
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)
							<i>(unaudited)</i>			
Greater China Area										
Mainland China . . .	7,611,512	81.4	6,648,087	85.7	10,379,462	83.4	3,606,910	88.3	7,788,705	78.1
Hong Kong . . . . .	—	—	—	—	58,853	0.5	14,188	0.3	20,174	0.2
Taiwan . . . . .	601,767	6.4	—	—	402,333	3.2	—	—	—	—
	<u>8,213,279</u>	<u>87.9</u>	<u>6,648,087</u>	<u>85.7</u>	<u>10,840,648</u>	<u>87.1</u>	<u>3,621,098</u>	<u>88.6</u>	<u>7,808,879</u>	<u>78.3</u>
South Korea . . . . .	746,971	8.0	188,030	2.4	633,096	5.1	145,245	3.6	1,010,280	10.1
Indonesia . . . . .	387,184	4.1	919,057	11.9	887,027	7.1	301,552	7.4	664,138	6.7
Malaysia . . . . .	—	—	—	—	—	—	—	—	460,284	4.6
Others <sup>(1)</sup> . . . . .	—	—	—	—	88,547	0.7	20,391	0.4	34,702	0.3
<b>Total</b> . . . . .	<b><u>9,347,434</u></b>	<b><u>100.0</u></b>	<b><u>7,755,174</u></b>	<b><u>100.0</u></b>	<b><u>12,449,318</u></b>	<b><u>100.0</u></b>	<b><u>4,088,286</u></b>	<b><u>100.0</u></b>	<b><u>9,978,283</u></b>	<b><u>100.0</u></b>

*Note:*

(1) Including United Arab Emirates, Singapore and British Virgin Islands.

Please refer to “Financial Information — Revenue — Revenue by Geographic Region” for a discussion on the fluctuation of our revenue by geographic region during the Track Record Period.

## SUMMARY

### Revenue by Downstream Application

The following table sets forth a breakdown of our revenue generated from nickel product trading and nickel product production businesses, which are our core businesses, by downstream application, in absolute amount and as a percentage of the total revenue generated from these two business segments, for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2019		2020		2021		2021		2022	
	<i>% of</i>	<i>% of</i>	<i>% of</i>	<i>% of</i>	<i>% of</i>	<i>% of</i>	<i>% of</i>	<i>% of</i>	<i>% of</i>	
	<i>trading and</i>	<i>trading and</i>	<i>trading and</i>	<i>trading and</i>	<i>trading and</i>	<i>trading and</i>	<i>trading and</i>	<i>trading and</i>	<i>trading and</i>	<i>trading and</i>
	<i>production</i>	<i>production</i>	<i>production</i>	<i>production</i>	<i>production</i>	<i>production</i>	<i>production</i>	<i>production</i>	<i>production</i>	<i>production</i>
	<i>RMB '000</i>	<i>revenue</i>	<i>RMB '000</i>	<i>revenue</i>	<i>RMB '000</i>	<i>revenue</i>	<i>RMB '000</i>	<i>revenue</i>	<i>RMB '000</i>	<i>revenue</i>
	<i>(Unaudited)</i>									
Stainless steel										
industry <sup>(1)</sup> . . . . .	8,855,733	100.0	6,647,554	100.0	9,059,093	80.7	3,524,548	96.3	5,194,009	56.7
NEV										
industry <sup>(2)</sup> . . . . .	—	—	—	—	2,160,467	19.3	136,551	3.7	3,966,929	43.3
<b>Total</b> . . . . .	<b>8,855,733</b>	<b>100.0</b>	<b>6,647,554</b>	<b>100.0</b>	<b>11,219,560</b>	<b>100.0</b>	<b>3,661,099</b>	<b>100.0</b>	<b>9,160,938</b>	<b>100.0</b>

*Notes:*

- (1) Representing revenues from sales of laterite nickel ore and ferronickel in our trading business and sales of ferronickel in our production business.
- (2) Representing revenues from sales of nickel-cobalt compounds in our trading and production business.

In 2019 and 2020, we primarily generated revenue from selling nickel products in our trading business and ferronickel in our production business to downstream customers in the stainless steel industry. We started to generate revenue from the sale of nickel-cobalt compounds to downstream customers in the NEV industry since the two production lines of phase I of the HPAL project commenced production in May 2021. Our revenue generated from the sale of nickel-cobalt compounds to downstream customers in the NEV industry has increased rapidly since our consolidation of HPL (the project company of phases I and II of the HPAL project) in November 2021.



## SUMMARY

### Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by product type for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2019		2020		2021		2021		2022	
	Gross profit margin	Gross profit margin	Gross profit margin	Gross profit margin	Gross profit margin	Gross profit margin	Gross profit margin	Gross profit margin	Gross profit margin	Gross profit margin
	<i>RMB '000</i>	(%)	<i>RMB '000</i>	(%)	<i>RMB '000</i>	(%)	<i>RMB '000</i>	(%)	<i>RMB '000</i>	(%)
<i>(Unaudited)</i>										
<b>Nickel Product Trading</b>										
Laterite nickel ore . . . . .	528,430	10.3	448,244	14.3	660,472	13.8	203,690	12.1	334,515	14.5
Ferronickel . . . . .	46,527	3.4	31,897	1.7	76,123	2.8	9,031	0.9	101,154	5.3
Nickel-Cobalt compounds . . .	—	—	—	—	3,145	0.3	352	0.3	—	—
<b>Subtotal</b> . . . . .	<b>574,957</b>	<b>8.8</b>	<b>480,141</b>	<b>9.6</b>	<b>739,740</b>	<b>8.4</b>	<b>213,073</b>	<b>7.4</b>	<b>435,669</b>	<b>10.3</b>
<b>Nickel Product Production</b>										
Ferronickel . . . . .	395,718	16.8	378,078	23.0	249,885	16.2	95,358	12.0	121,876	12.4
Nickel-Cobalt compounds . . .	—	—	—	—	376,758	41.4	—	—	2,402,188	60.6
<b>Subtotal</b> . . . . .	<b>395,718</b>	<b>16.8</b>	<b>378,078</b>	<b>23.0</b>	<b>626,643</b>	<b>25.6</b>	<b>95,358</b>	<b>12.0</b>	<b>2,524,064</b>	<b>51.0</b>
<b>Equipment Manufacturing</b>										
and Sale . . . . .	44,260	10.6	89,168	8.7	111,608	11.1	29,970	8.5	114,631	17.1
<b>Others</b> . . . . .	<b>3,166</b>	<b>4.2</b>	<b>5,272</b>	<b>6.0</b>	<b>37,937</b>	<b>16.8</b>	<b>14,487</b>	<b>19.7</b>	<b>9,838</b>	<b>6.7</b>
<b>Total gross profit</b> . . . . .	<b><u>1,018,101</u></b>	<b><u>10.9</u></b>	<b><u>952,659</u></b>	<b><u>12.3</u></b>	<b><u>1,515,928</u></b>	<b><u>12.2</u></b>	<b><u>352,888</u></b>	<b><u>8.6</u></b>	<b><u>3,084,202</u></b>	<b><u>30.9</u></b>

The fluctuations in our gross profit during the Track Record Period were generally in line with the fluctuations in our revenue, and the fluctuations in our gross profit margin during the Track Record Period were generally in line with the fluctuations in the average selling price of our nickel products. Our gross profit and gross profit margin were significantly higher in the six months ended June 30, 2022, primarily due to (i) we began to generate revenue from the sale of self-produced nickel-cobalt compounds, which had higher profit margins compared to self-produced ferronickel, since November 30, 2021 as a result of our consolidation of HPL, and (ii) we recorded higher gross profit and gross profit margins for our trading and production businesses during the six months ended June 30, 2022, primarily due to higher average selling price of our nickel products, which was as a result of an increase in nickel price due to market growth and an unprecedented price spike in the LME nickel price attributable to the geo-political conflict in early 2022. For details, see “Risk Factors — Risks relating to Our Business and Industry — We are exposed to market fluctuations of prices of nickel, nickel products and other related products.” Please refer to “Financial Information — Principal Components of Consolidated Statements of Profit or Loss — Gross Profit and Gross Profit Margin” for a detailed discussion on the fluctuation of our gross profit and gross profit margin during the Track Record Period.

## SUMMARY

### Sales Volume and Average Selling Price of Our Products

The table below sets forth the sales volume and average selling price for our nickel product trading and production businesses, which are our core businesses, for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2019		2020		2021		2021		2022	
	<i>Volume</i> <i>(tons<sup>(1)</sup>)</i>	<i>RMB'000/</i> <i>ton</i>	<i>Volume</i> <i>(tons)</i>	<i>RMB'000/</i> <i>ton</i>	<i>Volume</i> <i>(tons)</i>	<i>RMB'000/</i> <i>ton</i>	<i>Volume</i> <i>(tons)</i>	<i>RMB'000/</i> <i>ton</i>	<i>Volume</i> <i>(tons)</i>	<i>RMB'000/</i> <i>ton</i>
<b>Nickel Product</b>										
<b>Trading</b>										
Laterite nickel ore . . .	17,633,427	0.3	10,677,613	0.3	11,655,645	0.4	4,619,619	0.4	4,803,604	0.5
Ferronickel . . . . .	14,500	95.0	20,694	90.8	24,975	109.7	10,621	98.6	13,059	145.4
Nickel-Cobalt										
Compounds . . . . .	—	—	—	—	7,721	116.3	956	111.4	—	—
<b>Nickel Product</b>										
<b>Production</b>										
Ferronickel . . . . .	25,353	93.0	17,969	91.4	14,606	105.4	8,259	96.1	7,603	129.4
Nickel-Cobalt										
Compounds . . . . .	—	—	—	—	5,185	119.2	—	—	19,779	148.0

*Note:*

- (1) consistent with industry practice, “tons” refers to metric tons for laterite nickel ore, and metal tons for ferronickel and nickel-cobalt compounds.

We determine the prices of our nickel products generally based on factors such as the prevailing market prices of similar-grade nickel products, market demand, prices of downstream products and our costs and expenses.

During the Track Record Period, the fluctuations in sales volume of our nickel products were primarily affected by factors including (i) downstream customer demand, the fluctuation of which generally led to fluctuation in the sales volume of our nickel products, (ii) COVID-19 outbreak, which adversely affected the sales volume of our nickel ore trading business in 2020 and the sales volume of our self-produced ferronickel in the six months ended June 30, 2022, and (iii) Indonesian government’s export ban, which adversely affected our nickel ore trading volume in 2020 but had a positive impact on the sales volume of ferronickel for our trading business in 2020 and 2021. The sales volume of our nickel products was also affected by (i) the commencement of production of the HPAL project in May 2021, as a result of which we sold nickel-cobalt compounds for our trading business between May 2021 and November 2021 and self-produced nickel-cobalt compounds since November 2021, (ii) the temporary shut-down of our Jiangsu Facilities in September 2021 due to power shortage, which adversely affected the sales volume of our self-produced ferronickel in 2021, (iii) our consolidation of HPL since November 2021, as a result of which we began to sell self-produced nickel-cobalt compounds since November 2021, and (iv) our disposal of Xiangxiang Enterprise in 2020, which led to a decrease in our sales volume of self-produced ferronickel in 2020.

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## SUMMARY

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The fluctuations in the average selling prices of our nickel products were generally in line with the fluctuations in the prevailing market prices of these products. For more details, see “Financial Information — Principal Components of Consolidated Statements of Profit or Loss — Sales Volume and Average Selling Price of Our Products”.

### OUR COMPETITIVE STRENGTHS

We believe our following core competitive strengths have contributed to our success and differentiated us from our competitors.

- We Have Formed a Complete Industry Ecosystem Centered Around Nickel Resources;
- We Are Well-positioned to Significantly Benefit from the Rapid Growth of Demand in Various Downstream Sectors;
- Through Breakthroughs in Key Processes and Techniques, We Have Achieved First-mover Advantages and Developed the Lowest Cash Cost Nickel-cobalt Compound Production Project Worldwide;
- We Maintain a Long-term, Stable Supply of Core Upstream Resources;
- We Have Formed Long-term Cooperation with a High-quality Customer Base; and
- Experienced Management Team and Comprehensive Talent Incentive Mechanism.

### OUR GROWTH STRATEGIES

We strive to strengthen our leading position in the global nickel industry and to further expand and deepen our business across the industry value chain. We plan to achieve our goals by pursuing the following major strategies:

- Expanding Upstream Resource Channels and Seeking High-quality Nickel Mine Investment Opportunities;
- Completing and Expanding Our Nickel Product Production Projects and Seizing Growth Opportunities in Downstream Industries;
- Enhancing Research and Development Capabilities and Promoting Technological Innovation; and
- Creating a More Open and Robust Nickel Resource Ecosystem.

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## SUMMARY

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### OUR CUSTOMERS AND SUPPLIERS

Our customers primarily consist of smelting and refining companies and stainless steel manufacturers in the stainless steel industry, as well as smelting and refining companies and ternary battery material manufacturers in the NEV industry. Revenue contributed by our largest customer in each of 2019, 2020, 2021 and the six months ended June 30, 2022 amounted to RMB2,767.8 million, RMB1,288.3 million, RMB1,545.3 million and RMB1,177.0 million and accounted for 29.6%, 16.6%, 12.4% and 11.8% of our revenue for the respective periods; and revenue contributed by our five largest customers in each of 2019, 2020, 2021 and the six months ended June 30, 2022 amounted to RMB5,179.8 million, RMB4,179.3 million, RMB4,984.0 million and RMB4,047.4 million and accounted for 55.4%, 53.9%, 40.0% and 40.6% of our revenue for the respective periods. See “Business — Customers.”

Our suppliers primarily include suppliers for laterite nickel ore, ferronickel, production equipment, logistics services, electricity, coals and other raw materials and ancillaries supplies. Purchases from our largest supplier in each of 2019, 2020, 2021 and the six months ended June 30, 2022 amounted to RMB986.8 million, RMB1,415.7 million, RMB3,850.8 million and RMB1,806.4 million and accounted for 12.0%, 21.4%, 35.0% and 21.1% of our total purchase for the respective periods, while purchases from our five largest suppliers in each of 2019, 2020, 2021 and the six months ended June 30, 2022 amounted to RMB2,922.2 million, RMB3,430.5 million, RMB6,137.0 million and RMB3,321.5 million and accounted for 35.4%, 51.8%, 55.8% and 38.8% of our total purchase for the respective periods. See “Business — Suppliers.”

### COMPETITION

We compete with a number of Chinese and international nickel trading companies, mainly companies trading laterite nickel ore and ferronickel, and nickel product manufacturing companies, mainly companies producing ferronickel and nickel-cobalt compounds, including MHP, nickel sulfate and cobalt sulfate. For more information, see “Industry Overview.” We are confident that we are well positioned to compete against industry peers with our high-quality nickel products, strong technical innovation capabilities and entire industrial chain covering the trading and production of nickel products, equipment manufacturing and sale, and other relevant business segments.

### RISK FACTORS

There are certain risks involved in our operations and in connection with the Global Offering, many of which are beyond our control. The details are set out in the section headed “Risk Factors.” You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face are relating to:

- We are exposed to the market forces in the nickel industry.
- We are exposed to market fluctuations of prices of nickel, nickel products and other related products.

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## SUMMARY

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- We face risks in relation to our current and future production projects.
- We are subject to risks in connection with planned or future investments or acquisitions and may encounter difficulties in integrating the acquired assets into our existing business operations.
- Our businesses and operations require significant capital resources on an ongoing basis and we recorded net current liabilities and negative cash flows from operations during the Track Record Period.
- Our financial performance and results of operations may be materially and adversely affected by export bans and other trading restrictions. In particular, our business operations and financial performance were adversely affected by the Indonesian government's export ban on laterite nickel ore.
- We are subject to extensive environmental, chemical manufacturing, health and safety laws and regulations and production standards, and our compliance with these laws, regulations and standards may be onerous and costly.
- The Indonesian government may expand the scope of the nickel ore export ban to include downstream nickel products, or impose tariff or adopt other restrictive measures on the export of such products, which may materially and adversely affect our business.
- Our nickel product production business is expected to contribute a significantly higher portion of our revenue going forward, particularly with the acquisition of HPL. This increased emphasis on our product production business may have a material impact on our results of operations and expose us to additional risks and challenges.
- Factors that impact the NEV industry may materially and adversely affect our business, financial condition and results of operations.
- New legislations or changes in the PRC regulatory requirements regarding the end markets of our products, particularly the NEV market, may affect our business operations and prospects.
- Some of our major customers contributed a significant portion of our revenues during the Track Record Period while we typically do not enter long-term contracts with these customers. If these customers reduce or terminate business with us, our business, results of operations, financial condition and growth prospects may be materially and adversely affected.
- We depend on a limited number of core suppliers for the supply of a substantial portion of laterite nickel ore and ferronickel. Our inability to obtain these raw materials from these suppliers or any increases in the price of such raw materials could have a material adverse effect on our business, financial condition and results of operations.

## SUMMARY

- Our business operation in Indonesia is subject to various risks, including the evolving regulatory environment and perceived prevalence of corruption and bribery.
- We are exposed to risks associated with our overseas operations.

### LEGAL AND COMPLIANCE

As of the Latest Practicable Date, there was no material litigation, arbitration or administrative proceedings pending or threatened against our Company or any of our Directors which could have a material and adverse effect on our financial condition or results of operations. We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business.

### SUMMARY FINANCIAL INFORMATION

#### Consolidated Statements of Profit or Loss

The following table sets forth a summary, as extracted from Appendix IA to this prospectus, of our consolidated results of operations in absolute amounts. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	Year ended December 31,			Six months ended June 30,	
	2019	2020	2021	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(Unaudited)</i>	
<b>Revenue</b> .....	<b>9,347,434</b>	<b>7,755,174</b>	<b>12,449,318</b>	<b>4,088,286</b>	<b>9,978,283</b>
Cost of sales .....	(8,329,333)	(6,802,515)	(10,933,390)	(3,735,398)	(6,894,081)
Gross profit .....	1,018,101	952,659	1,515,928	352,888	3,084,202
Other income and gains .....	70,946	122,406	424,900	56,108	108,924
Selling and distribution expenses .....	(55,869)	(50,128)	(124,124)	(23,346)	(43,170)
Administrative expenses .....	(132,547)	(174,178)	(301,134)	(110,342)	(480,192)
Impairment losses on financial assets, net .....	(812)	115	(4,172)	(1,581)	(2,685)
Other operating expenses .....	(13,812)	(40,232)	(91,944)	(57,639)	(111,330)
Finance costs .....	(66,559)	(42,176)	(79,325)	(25,466)	(108,517)
Share of profits and losses of associates .....	(34,352)	(68,063)	99,008	(52,975)	(54,713)
<b>Profit before tax</b> .....	<b>785,096</b>	<b>700,403</b>	<b>1,439,137</b>	<b>137,647</b>	<b>2,392,519</b>
Income tax expense .....	(218,370)	(182,065)	(179,174)	(48,691)	(102,896)
<b>Profit for the year/period</b> .....	<b>566,726</b>	<b>518,338</b>	<b>1,259,963</b>	<b>88,956</b>	<b>2,289,623</b>
<b>Profit attributable to:</b>					
Owners of the parent .....	565,584	520,156	1,099,508	86,053	1,350,119
Non-controlling interest .....	1,142	(1,818)	160,455	2,903	939,504
	<b>566,726</b>	<b>518,338</b>	<b>1,259,963</b>	<b>88,956</b>	<b>2,289,623</b>

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## SUMMARY

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Other income and gains primarily consists of (1) government grants, (2) bank interest income, (3) investment income from financial assets at fair value through profit or loss and changes in fair value of financial assets at fair value through profit or loss, primarily related to wealth management products and futures products purchased by us, (4) gain on disposal of Xiangxiang Enterprise, a subsidiary of ours, (5) gain on step acquisition of subsidiaries, (6) net foreign exchange gains, and (7) changes in fair value of financial assets at fair value through profit or loss. Other income and gains increased by 72.5% from RMB70.9 million in 2019 to RMB122.4 million in 2020, primarily due to (i) a RMB38.0 million increase in government grants, and (ii) a RMB33.1 million increase in net exchange gains, primarily due to the appreciation of the RMB against U.S. dollars. Other income and gains increased significantly from RMB122.4 million in 2020 to RMB424.9 million in 2021, primarily attributable to our gains of RMB282.6 million in the step acquisition of subsidiaries and increase of RMB20.9 million in government grants. Other income and gains increased by 94.1% from RMB56.1 million in the six months ended June 30, 2021 to RMB108.9 million in the same period of 2022, primarily attributable to our gains of RMB44.3 million from the change in fair value of the hedging instrument recognized under HPL's interest rate swap agreement.

Share of profits and losses of associates primarily represents our share of profits and losses of HPL (which used to be our associate until it became our subsidiary on November 30, 2021) and HJF. We recorded share of profits of associates of RMB99.0 million in 2021, compared to share of losses of associates of RMB68.1 million in 2020 and RMB34.4 million in 2019, primarily because HPL began to generate revenue by selling nickel-cobalt compound products in 2021. Share of losses of associates increased by 3.3% from RMB53.0 million in the six months ended June 30, 2021 to RMB54.7 million in the same period of 2022, which was primarily due to increased losses incurred by HJF, as the RKEF project has not yet commenced production.

Our profit for the year decreased by 8.5% from RMB566.7 million in 2019 to RMB518.3 million in 2020, primarily due to: (i) a 23.0% decrease in revenue generated from our trading business, primarily as a result of (a) Indonesian government's export ban on nickel ore, and (b) a significant decrease in nickel price and customer demand in early 2020 due to the COVID-19 outbreak, (ii) a 31.4% increase in administrative expenses from RMB132.5 million in 2019 to RMB174.2 million in 2020, primarily due to an increase in staff costs and tax fees, as our business continued to grow, and (iii) a significant increase in other operating expenses from RMB13.8 million in 2019 to RMB40.2 million in 2020, primarily attributable to increase in our donations related to epidemic preventions. Our profit for the year increased by 143.1% from RMB518.3 million in 2020 to RMB1,260.0 million in 2021, primarily as a result of: (i) increase in revenue from all business segments, (ii) we recorded share of profits of associates of RMB99.0 million in 2021, compared to share of losses of associates of RMB68.1 million in 2020, as HPL began to generate revenue by selling nickel-cobalt compound products in 2021, and (iii) our other income and gains increased significantly from RMB122.4 million in 2020 to RMB424.9 million in 2021, primarily attributable to our gains of RMB282.6 million in acquisition of HPL and increase of RMB20.9 million in government grants. We recorded profit for the period of RMB2,289.6 million in the six months ended June 30, 2022, compared to RMB89.0 million in the same period of 2021, primarily due to a significant increase in revenue generated from our production business from RMB793.3 million in

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## SUMMARY

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the six months ended June 30, 2021 to RMB4,950.7 million in the same period of 2022. This increase was primarily due to the commencement of sale of nickel-cobalt compound products produced by HPL.

### Summary of Consolidated Statements of Financial Positions

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of
	2019	2020	2021	June 30,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets .....	1,324,981	1,679,358	7,637,849	9,560,098
Current assets .....	3,075,888	2,201,084	4,643,551	7,559,230
Current liabilities .....	3,239,237	2,476,915	3,496,180	5,356,962
Net current (liabilities)/assets .....	(163,349)	(275,831)	1,147,371	2,202,268
Non-current liabilities .....	14,743	11,472	3,611,563	3,980,595
Net assets .....	1,146,889	1,392,055	5,173,657	7,781,771

We had net current liabilities of RMB163.3 million and RMB275.8 million as of December 31, 2019 and 2020, respectively, primarily due to our interest-bearing bank and other borrowings amounting to RMB1,493.9 million and RMB1,024.5 million as of the same dates, respectively. We had net current assets of RMB1,147.4 million as of December 31, 2021. This change in our financial position was primarily attributable to our acquisition of HPL in November 2021, which led to a RMB1,156.4 million increase in cash and cash equivalents, and a RMB578.3 million increase in inventories. Our net current assets increased from RMB1,147.4 million as of December 31, 2021 to RMB2,202.3 million as of June 30, 2022, primarily due to (i) an increase of RMB1,546.1 million in cash and cash equivalents; (ii) an increase of RMB841.0 million in trade and bills receivables; and (iii) an increase of RMB253.8 million in inventories, partially offset by an increase of RMB1,426.0 million in interest-bearing bank and other borrowings. See “Financial Information — Working Capital” for more details.

With our revenue continues to increase and our close monitoring of receivables and payables with our customers and suppliers, we expect to continue to record net current assets in the near future.

Our net assets increased by 21.4% from RMB1,146.9 million as of December 31, 2019 to RMB1,392.1 million as of December 31, 2020, primarily attributable to our profit for the year of RMB518.3 million in 2020. Our net assets increased significantly from RMB1,392.1 million as of December 31, 2020 to RMB5,173.7 million as of December 31, 2021, primarily attributable to (i) acquisition of subsidiaries of RMB2,448.6 million in 2021, which was related to our acquisition of HPL, (ii) profit for the year of RMB1,260.0 million in 2021, and (iii) issue of shares of RMB687.0



## SUMMARY

million in 2021, which was related to capital injection from our shareholders. This increase was partially offset by our declaration of dividends of RMB845.8 million in 2021. Our net assets increased from RMB5,173.7 million as of December 31, 2021 to RMB7,781.8 million as of June 30, 2022, primarily attributable to profit for the period of RMB2,289.6 million in the six months ended June 30, 2022.

### Summary of Consolidated Cash Flow Statements

The following table sets forth our cash flows for the periods indicated:

	<u>Year ended December 31,</u>			<u>Six months ended</u>	
				<u>June 30,</u>	
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>	<u>2022</u>
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
				<i>(Unaudited)</i>	
Net cash (used in)/from operating activities . . . . .	(361,524)	889,307	811,321	(454,286)	1,646,522
Net cash used in investing activities . . . . .	(971,492)	(364,796)	(643,300)	(379,460)	(1,845,021)
Net cash from/(used in) financing activities . . . . .	1,287,416	(453,180)	997,235	966,620	1,679,830
<b>Net (decrease)/increase in cash and cash equivalents . . . . .</b>	<b>(45,600)</b>	<b>71,331</b>	<b>1,165,256</b>	<b>132,874</b>	<b>1,481,331</b>
Cash and cash equivalents at beginning of year/ period . . . . .	233,687	188,399	256,903	256,903	1,413,298
Effect of foreign exchange rate changes, net . . . . .	312	(2,827)	(8,861)	(1,199)	64,762
<b>Cash and cash equivalents at the end of year/ period . . . . .</b>	<b>188,399</b>	<b>256,903</b>	<b>1,413,298</b>	<b>388,578</b>	<b>2,959,391</b>

We experienced a net operating cash outflow of RMB361.5 million and RMB454.3 million in 2019 and the six months ended June 30, 2021, respectively, compared to net operating cash inflow of RMB889.3 million, RMB811.3 million and RMB1,646.5 million in 2020, 2021 and the six months ended June 30, 2022, respectively. The net operating cash outflow in 2019 was primarily due to a RMB808.3 million increase in trade and bills receivables, which was primarily as a result of increased sales in late 2019, as our customers increased their nickel ore purchases in anticipation of the Indonesian government's export ban. The net operating cash outflow in the six months ended June 30, 2021 was primarily due to a RMB636.9 million increase in trade and bill receivables and a RMB216.6 million increase in inventories as a result of our increased sales.

With our revenue continues to increase and our close monitoring of receivables and payables with our customers and suppliers, we expect to continue to record operating cash inflow in the near future.

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## SUMMARY

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### KEY FINANCIAL RATIOS

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

	Years ended			Six months ended	
	December 31,			June 30,	
	2019	2020	2021	2021	2022
<b>Profitability:</b>					
Gross profit margin <sup>(1)</sup> .....	10.9%	12.3%	12.2%	8.6%	30.9%
Net profit margin <sup>(2)</sup> .....	6.1%	6.7%	10.1%	2.2%	22.9%
<b>Rates of return:</b>					
Return on average assets <sup>(3)</sup> .....	16.3%	12.5%	15.6%	N/M <sup>(8)</sup>	N/M <sup>(8)</sup>
Return on average equity <sup>(4)</sup> .....	56.5%	40.8%	38.4%	N/M <sup>(8)</sup>	N/M <sup>(8)</sup>
<b>Liquidity:</b>					
Gearing ratio <sup>(5)</sup> .....	1.3	0.7	0.9	N/A	0.8
Current ratio <sup>(6)</sup> .....	0.9	0.9	1.3	N/A	1.4
Quick ratio <sup>(7)</sup> .....	0.8	0.7	1.0	N/A	1.2

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*Notes:*

- (1) Gross profit margin equals gross profit divided by total revenue during the year/period, multiplied by 100%.
- (2) Net profit margin equals net profit divided by total revenue during the year/period, multiplied by 100%.
- (3) Return on average assets ratio equals net profit divided by average assets during the year/period, multiplied by 100%.
- (4) Return on average equity ratio equals net profit divided by average equity during the year/period, multiplied by 100%.
- (5) Gearing ratio equals total interest-bearing bank borrowings divided by total equity.
- (6) Current ratio equals total current assets divided by total current liabilities.
- (7) Quick ratio equals total current assets less inventories divided by total current liabilities.
- (8) These ratios are not meaningful as numbers for the period are not comparable to the numbers for the year.

See “Financial Information — Key Financial Ratios” for more information.

### OUR SHAREHOLDING STRUCTURE

#### Our Controlling Shareholders

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Cai, one of the executive Directors, the chairman of the Board and the founder of our Company, will hold approximately 59.65% interest in our Company consisting of (i) approximately 26.88% direct interest; (ii) approximately 32.70% indirect interest through Lygend Investment, a company controlled by Mr. Cai; and (iii) approximately 0.06% indirect interest through Ningbo Lizhan, a wholly-owned subsidiary of Lygend Investment. Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Ms. Xie Wen (謝雯), the spouse of Mr. Cai, will also hold approximately 1.99% interest in our Company.

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## SUMMARY

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Accordingly, Mr. Cai, and Lygend Investment will be our Controlling Shareholders immediately after the Listing, together with Ms. Xie Wen and Ningbo Lizhan who will be presumed to be part of the group of controlling shareholders of our Company. For further details of our Controlling Shareholders, please refer to the section headed “Relationship with our Controlling Shareholders” in this prospectus.

### **Pre-IPO Investment**

The Pre-IPO Investor invested in our Company through subscription for increased registered capital of our Company. For further details of the identity and background of the Pre-IPO Investor, please refer to the subsection headed “History, Development and Corporate Structure — Establishment and Major Shareholding Changes of our Company — (5) Pre-IPO Investment” in this prospectus.

### **LISTING EXPENSES**

Our listing expenses represent professional fees, underwriting commission and fees incurred in connection with the Listing and the Global Offering. Based on the mid-point of the indicative Offer Price range for the Global Offering and assuming the Over-allotment Option is not exercised, our listing expenses are estimated to be approximately RMB153.8 million (HK\$170.1 million), accounting for approximately 4.1% of the gross proceeds from the Global Offering. This includes (i) underwriting-related expenses, including underwriting commission and other expenses, of approximately RMB93.5 million (HK\$103.4 million), and (ii) non-underwriting-related expenses of approximately RMB60.3 million (HK\$66.7 million), comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately RMB38.7 million (HK\$42.7 million), and (b) other fees and expenses of approximately RMB21.7 million (HK\$24.0 million).

During the Track Record Period, we incurred RMB33.9 million of listing expenses, of which RMB2.6 million was charged to our consolidated statements of profit or loss and other comprehensive income and RMB31.3 million will be deducted from equity. We expect to incur additional expenses of approximately RMB177.6 million after June 30, 2022 of which RMB8.8 million is expected to be charged to our consolidated statements of profit or loss and RMB168.8 million is directly attributable to the issue of the shares and is to be accounted for as a deduction from equity in accordance with the relevant accounting standard.

The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. Our Directors do not expect such listing expenses to have a material adverse impact on our results of operation.

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## SUMMARY

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### GLOBAL OFFERING STATISTICS

All statistics in the following table are based on the assumptions that (i) the Global Offering had been completed and 232,547,600 new Shares are issued pursuant to the Global Offering; and (ii) the Over-allotment Option is not exercised.

	<u>Based on an indicative price per Offer Share of HK\$15.60</u>	<u>Based on an indicative price per Offer Share of HK\$19.96</u>
Our market capitalization <sup>(1)</sup> . . . . .	HK\$24,184.9 million	HK\$30,944.3 million
Unaudited pro forma consolidated adjusted net tangible assets to equity shareholders of our Company per Share <sup>(2)</sup> . . . . .	HK\$5.05	HK\$5.68

*Notes:*

- (1) The calculation of market capitalization is based on 1,550,316,350 Shares expected to be in issue immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).
- (2) The unaudited pro forma adjusted net tangible asset per Share as at June 30, 2022 is calculated after making the adjustments referred to in “Appendix II — Unaudited Pro Forma Financial Information.”

### FUTURE PLANS AND USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK\$17.78 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus), will be approximately HK\$3,964.6 million, after deduction of underwriting fees and commissions and other estimated expenses in connection with the Global Offering assuming the Over-allotment Option is not exercised. We intend to use the net proceeds of the Global Offering for the following purposes:

- approximately 56.4% of our total estimated net proceeds, or HK\$2,236.0 million, will be used for the development and construction of our nickel product production projects on the Obi Island, including phase III of the HPAL project and phase II of the RKEF project;
- approximately 24.0% of our total estimated net proceeds, or HK\$951.5 million, will be used to contribute additional capital to CBL, our joint venture with Contemporary Amperex Technology Co., Limited (“CATL”), which will be focused on projects across the NEV battery value chain;
- approximately 9.6% of our total estimated net proceeds, or HK\$380.6 million, will be used for potential minority investments in nickel mines in Indonesia. As of the latest Practical Date, we have not entered into any binding commitment, whether oral or written, for any business or asset acquisitions; and
- approximately 10.0% of our total estimated net proceeds, or HK\$396.5 million, will be used for our working capital and general corporate purposes.

For further details, please see the section headed “Future Plans and Use of Proceeds”.

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## SUMMARY

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### **DIVIDENDS**

We declared dividends of RMB300.0 million, RMB190.0 million and RMB845.8 million in 2019, 2020 and 2021, respectively, all of which have been fully paid as of June 30, 2022. We did not have any fixed dividend payout ratio during the Track Record Period, and may not have any fixed dividend payout ratio in the near future. Subsequent to December 31, 2021 and as of the Latest Practicable Date, we have not declared any additional dividends. Pursuant to relevant PRC laws and regulations applicable to us, we are required to set aside a certain amount of our accumulated after tax profits each year, if any, to fund statutory reserves. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that our Company and our subsidiaries have entered into or may enter into in the future. See “Financial Information — Dividends” for more information.

### **INDONESIAN GOVERNMENT’S EXPORT BAN ON LATERITE NICKEL ORE**

Indonesia aims to encourage investments in the construction of local production facilities to produce refined goods that help create more jobs and improve the country’s trade position. Specifically, Indonesia banned exports of nickel ore in both 2014 (which was temporarily relaxed in 2017) and 2019 (with the ban announced in August 2019 and took effect on January 1, 2020) as it seeks to preserve Indonesia’s nickel ore resource and develop a full nickel supply chain. According to Imran Muntaz & Co., our Indonesian legal advisor, based on Ministry of Energy and Mineral Resources Regulation No. 25 Year 2018 on Mineral and Coal Mining Business, as amended by Ministry of Energy and Mineral Resources Regulation No. 11 Year 2019 and Ministry of Energy and Mineral Resources Regulation No. 17 Year 2020, (i) the export ban is limited to nickel ore and does not apply to downstream products produced from nickel ore, such as ferronickel and nickel-cobalt compounds. As such, we may freely export the nickel products produced by the Obi projects; and (ii) the export ban also does not restrict us from procuring nickel ore from local suppliers for purposes of producing downstream products in Indonesia. As advised by our Indonesian legal advisor, the export ban has not been lifted, relaxed, or expanded as of the Latest Practicable Date.

The Indonesian government’s export ban is mainly imposed to incentivize and encourage the investment in, and the development of, Indonesia’s downstream nickel industry value chain, such as the production of downstream nickel products. By imposing an export ban on nickel ore, the Indonesian government is effectively requiring nickel product manufacturers to produce the downstream nickel products in Indonesia, thereby contributing to local employment and economic growth. However, these downstream nickel products cannot be consumed by the local Indonesian market due to limited local demand, and will need to be sold in overseas markets. As such, extending the export ban to the downstream nickel products would contradict with the underlying policy goal intended by the export ban. Based on the foregoing, Imran Muntaz & Co. is of the view that the likelihood that the Indonesian government will extend the export ban to other nickel products is remote.

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## SUMMARY

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Our business operations, financial performance and results of operations in 2020 were adversely affected by the export ban. In 2019, 34.8% of nickel ore for our trading business and 55.5% of nickel ore for our ferronickel production were procured from Indonesia. As a result of the export ban, we could no longer procure nickel ore from Indonesia, and had to increase our procurement of nickel ore from the Philippines, New Caledonia and other countries and regions. As it took some time for us to secure a significantly higher volume of nickel ore in these other countries and regions, our business operations and financial performances for both our trading and production businesses were negatively affected. In particular:

- **Nickel product trading:** the sales volume of nickel ore for our trading business decreased by 39.4% from 17,633,427 metric tons in 2019 to 10,677,613 metric tons in 2020, and revenue generated from our trading business decreased by 23.0% from RMB6,498.3 million in 2019 to RMB5,005.5 million in 2020.
- **Ferronickel production:** the Indonesian export ban has also affected our ferronickel production business. Prior to 2020, we primarily procured nickel ore from Indonesia for our Jiangsu Facilities' ferronickel production. Because of the export ban, we have been procuring nickel ore for our Jiangsu Facilities' ferronickel production from the Philippines, New Caledonia and other countries and regions since 2020. Specifically, we increased the portion of nickel ore procured from the Philippines while decreasing the portion of nickel ore procured from New Caledonia in 2021 primarily due to cost considerations, as the procurement price of nickel ore from the Philippines is significantly lower than that from New Caledonia. As the nickel ore from the Philippines is of relatively lower nickel content, the average nickel content of the nickel ore used in our ferronickel production decreased accordingly, resulting in a 19.8% decrease in our ferronickel production output in terms of metal tons from 2020 to 2021. Partially as a result of the foregoing, our ferronickel production revenue decreased by 6.3% from 2020 to 2021. Please refer to "Business — Indonesian Government's Export Ban on Laterite Nickel Ore" for more details.

Both our trading and production businesses have recovered from the negative impact of the export ban since 2021:

- **Nickel product trading:** the sales volume of nickel ore for our trading business increased by 9.2% from 10,677,613 metric tons in 2020 to 11,655,645 metric tons in 2021, as (i) we managed to procure a higher volume of nickel ore for our trading business from the Philippines in 2021 at a generally lower price than that from Indonesia prior to the export ban (in 2021, we purchased 11.5 million metric tons of nickel ore, or 98.4% of total nickel ore we procured for our trading business for the same period, from the Philippines, compared to 10.2 million, or 95.3% of total nickel ore we procured for our trading business for the same period, in 2020), and (ii) there was increased customer demand, due to the steady growth of the stainless steel industry. Our ferronickel trading business was not affected by the export ban and experienced an increase in sales volume from 2020 to 2021 as well. In addition, as phase I of the HPAL project commenced production in May 2021,

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## SUMMARY

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we also generated revenue from the trading of nickel-cobalt compounds produced by the HPAL project between May and November 2021 (until HPL became one of our consolidated subsidiaries). As a result, revenue generated from our trading business increased by 75.2% from RMB5,005.5 million in 2020 to RMB8,771.1 million in 2021.

- ***Nickel product production:*** despite the fact that our ferronickel production business was adversely affected by the export ban in 2021 as discussed above, revenue generated from our overall nickel production business increased by 49.1% from RMB1,642.0 million in 2020 to RMB2,448.5 million in 2021. The increase was primarily because we began to generate revenue from the sales of self-produced nickel-cobalt compounds produced by our Obi projects (which directly source nickel ore in Indonesia from our Indonesian Partner and therefore are not affected by the export ban) since November 30, 2021. Once the Obi projects achieve full scale operation, it is estimated that more than 95% of our nickel product production revenue will be generated from the Obi projects, and as such the impact of the export ban on our production business is expected to be minimal.

In addition, according to Imran Muntaz & Co., our Indonesian legal advisor, as of the Latest Practicable Date, the export ban (i) is limited to nickel ore and does not apply to downstream products produced from nickel ore, such as ferronickel and nickel-cobalt compounds, and (ii) does not restrict us from procuring nickel ore from local suppliers for purposes of producing downstream products in Indonesia. Moreover, as of the Latest Practicable Date, our Indonesian legal advisor is not aware of any plan by the relevant Indonesian authorities to modify or expand the scope of export ban. As such, as of the Latest Practicable Date, our trading activities of ferronickel in Indonesia and production activities of ferronickel and nickel-cobalt compounds in Indonesia are not, and will not likely be, materially and adversely affected by Indonesia's export ban. However, we cannot assure you the Indonesian government will not extend its export ban to other nickel products. See "Risk Factors — Risks Relating to Our Business and Industry — The Indonesian government may expand the scope of the nickel ore export ban to include downstream nickel products, or impose tariff or adopt other restrictive measures on the export of such products, which may materially and adversely affect our business" for more details.

See "Business — Indonesian Government's Export Ban on Laterite Nickel Ore" and "Financial Information — Effects of Indonesian Government's Export Ban on Our Financial Condition and Results of Operations" for more details.

### COVID-19 OUTBREAK

Since the end of December 2019, the outbreak of COVID-19 has materially and adversely affected the global economy. More recently, there have been regional outbreaks of COVID-19 variants including Delta and Omicron. In particular, the Omicron variant is a recent emergence which is significantly more infectious than its predecessors. The resurgence in case number caused by Omicron variant has led to a new round of restrictive measures in various degrees in countries

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## SUMMARY

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and regions where we operate, and has created uncertainties for the outlook of relaxing the governments' restrictive measures and our business operations in affected countries and regions.

Partly as a result of the COVID-19 outbreak, our business operations and financial performance in 2020 were temporarily and adversely affected. In particular, demand for laterite nickel ore for our trading business, the average selling price of ferronickel for our trading business and our Jiangsu Facilities' ferronickel production were affected, and the construction schedule of our HPAL and RKEF projects on the Obi Island was delayed, as a result of the COVID-19 outbreak. Reduced transportation capacities and rising shipping costs also prolonged our average shipping duration and shipping costs, contributing to an increase in our costs of operation. However, our business operations have recovered from the COVID-19 outbreak and the impact of the recent resurgences of cases caused by the COVID-19 variants on our business operations and financial performance has been limited. Please refer to "Financial Information — Effects of the COVID-19 Pandemic on Our Results of Operations" for more details.

To the best knowledge of our Directors, as of the Latest Practicable Date, there had not been any COVID-19-related breach or cancelation of our material contracts, material issues with collection of customer receivables, or disputes with major customers. After considering (i) our robust financial performance and key operational indicators (such as trading volume and production output) during the Track Record Period, (ii) the construction schedule of our Obi projects has not experienced significant delays as of the Latest Practicable Date, (iii) our long-term and stable relationships with both our major suppliers and customers, and (iv) the nature, scale and the increasingly diversified coverage of our business operations, both in terms of business segment and geographic reach, our Directors are of the view that the COVID-19 pandemic has not, and is not expected to have, any material adverse impact on our operations or financial performance.

Continuance or recurrence of the COVID-19 outbreak in China, the Philippines, Indonesia or other parts of the world may materially and adversely affect our business operations. For more details, please see "Risk Factors — Risks relating to Our Business and Industry — Our business operations and financial performance have been and may continue to be affected by the COVID-19 pandemic."

### **OUR ACQUISITION OF HPL**

HPL was established by our Company and our Indonesian Partner as a joint venture company in July 2018. In November 2021, we made a strategic decision to increase our aggregate shareholding in HPL from 36.9% to 54.9% through our acquisition of Kang Xuan from Feng Yi, an entity affiliated with our Indonesian Partner. Such acquisition to achieve a majority stake in HPL has enabled us to consolidate HPL into our Group and exercise a greater control over HPL, which operates expanding production lines for nickel-cobalt compounds, and thereby produces a synergistic effect with our Group's business in the nickel industry value chain.

For details of the above acquisition, please refer to the subsection headed "History, Development and Corporate Structure — Strategic Acquisitions" in this prospectus. For the



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## SUMMARY

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pre-acquisition financial information on HPL from the commencement of the Track Record Period to the date of acquisition, please refer to the subsection headed “Financial Information — Financial Information of HPL” and Appendix IB to this prospectus.

### OUR ESG POLICIES

We are subject to the relevant laws and regulations, as well as the relevant risks, regarding environmental protection and climate-related matters, occupational health and safety, and social and corporate governance matters promulgated in the jurisdictions in which we operate our business. To comply with such requirements, address the relevant risks and reduce our impact on the environment, we have adopted a number of measures and practices.

During the Track Record Period, we primarily implemented the following measures to address our ESG-related risks and ensure our compliance with applicable ESG-related laws and regulations in the jurisdictions we operate:

- we assigned different departments or responsible persons to manage ESG-related matters at the operational level and regularly monitor ESG indicators, industry trends, and ESG-related (including climate change) risks and opportunities;
- as a company engaged in production business, we closely monitor the level of our emissions of certain pollutants and greenhouse gases, as well as our consumption of energy and utility, including for our Jiangsu Facilities and the Obi projects. We have implemented various measures and practices and set quantitative targets to reduce these emissions and consumption; and
- we also closely monitor our labor practice, and have implemented systems and procedures addressing matters related to occupational health and safety.

Looking forward, we are committed to establishing an ESG committee under the Board of Directors at the Group level with clear terms of reference. We also target to formulate the Group’s ESG management system in accordance with the Listing Rules Appendix 27, the Environmental, Social and Governance Reporting Guide, to clearly define the division of duties of each department, and to effectively manage ESG-related and climate-related risks and opportunities. We are also committed to achieving our targets to reduce emission level and consumption of utility and energy. See “Business — Environmental, Occupational Health and Safety” for more details.

### RECENT DEVELOPMENTS

#### Certain Updates on Our Operational and Financial Performance

Based on our management accounts, our total revenue and gross profit in the nine months ended September 30, 2022 significantly increased from that of the same period in 2021. Such increase was

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## SUMMARY

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attributable to the continued growth of both our trading and production businesses. In particular, the year-over-year increase in revenue from our production business was primarily because the production lines of phase I of the HPAL project was not put into operation until May 2021, whereas these production lines operated at full capacity for the nine months ended September 30, 2022. For our trading business, because of the Indonesian government's export ban on nickel ore, we continued to procure a substantial majority of our nickel ore from the Philippines.

Our nickel product trading business continued to grow in the nine months ended September 30, 2022. In the nine months ended September 30, 2022, the sales volume of nickel ore for our trading business was over 8 million metric tons, reflecting an over 24% increase from the same period in 2021, and the sales volume of ferronickel for our trading business was over 24 thousand metal tons, reflecting an over 40% increase from the same period in 2021.

With respect to the Obi projects, as the two production lines of phase I of the HPAL project had reached full capacity by December 2021, the production volume of these production lines was 31,438.5 metal tons of nickel-cobalt compounds, and the utilization rate of these production lines for the nine months ended September 30, 2022 was 113.6%, higher than that of 2021 and the six months ended June 30, 2022, which was 86.0% and 112.2%, respectively. The utilization rates of these production lines exceeded 100% during the relevant periods primarily due to (1) higher recovery rate of nickel from laterite nickel ore that led to higher actual output volume of nickel-cobalt compounds in terms of metal ton and (2) longer uptime, both of which were primarily attributable to our technical expertise, optimization and improvement on the production equipment and processes, and the consistent quality of laterite nickel ore that HPL procured from our Indonesian Partner. For more details, see "Business — Production of Nickel Products — Production of Nickel-Cobalt Compounds — Production Capacity."

The remaining production lines and facilities of the Obi projects are being constructed on an ongoing basis. However, due to the COVID-19 outbreak and the delayed schedule in sending the required personnel and equipment to the construction sites, the operation commencement time for the nickel sulfate and cobalt sulfate production lines for phase I of the HPAL project, the production lines for phase II of the HPAL project and the production lines for phase I of the RKEF project has been delayed by six months, two months and four months, respectively, and the construction commencement time for phase III of the HPAL project has been delayed by two months. For details of the most updated timeline of the Obi projects, see "Business — Production of Nickel Products — Production Expansion Plan and Product Pipeline."

With respect to our Jiangsu Facilities, its total ferronickel production volume for the nine months ended September 30, 2022 was 10,694.14 metal tons of ferronickel, representing a utilization rate of 79.4%, slightly lower than that for the six months ended June 30, 2022 of 83.6%. The slight decrease in utilization rate was primarily due to local government's electricity rationing measures in response to Jiangsu province's power shortages caused by extreme heatwaves and droughts. As a result of such electricity rationing measures, our Jiangsu Facilities had to suspend production for certain time period of the day for 15 days, which may last from 1.5 hours to 14 hours per day. This

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## SUMMARY

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led to a 27.3% decrease in its production volume from July 2022 to August 2022. However, the electricity rationing measures had limited impact on our results of operations and our operations were back to normal in September 2022: calculated using the average selling price of ferronickel in August 2022, our lost revenue due to such electricity rationing measures only accounted for less than 0.2% of our total revenue for the nine months ended September 30, 2022.

### **The Russia-Ukraine Conflict and LME Nickel Price Spike**

The Russia-Ukraine tensions have accelerated in February 2022, following which countries and regions, including the U.S. and European countries, imposed various forms of economic sanctions on Russia, Russian entities and individuals, such as ban on the export of dual-use goods, Russian flights and all Russian oil and gas imports. In addition, in relation to the geo-political conflict, since early March 2022, there has been an unprecedented price spike in the LME nickel price, exceeding US\$50,000 per ton. Despite the LME nickel price spike, our procurement prices of nickel ore have not experienced any significant fluctuation because there is no direct correlation between the procurement price of laterite nickel ore with the LME nickel price. This is because laterite nickel ore is a natural mineral resource and the content of nickel, water and other impurities contained in laterite nickel ore of different batches and origin could vary widely, directly affecting its selling price. As such, laterite nickel ore is not a standard commodity that can be traded on the spot market or exchanges. In addition, the impact of fluctuations in nickel prices on our business operations and financial performance has been limited during the Track Record Period, because we are generally able to pass on any increase in nickel ore procurement prices to our customers. Our average selling prices of nickel products had experienced a moderate increase following the price spike, leading to increased profitability. Gross profit margin for our nickel ore trading business increased from 12.1% in the six months ended June 30, 2021 to 14.5% in the same period of 2022. See “Business — Risk Management — Russia-Ukraine Conflict and LME Nickel Price Spike” for more details.

### **Recent Regulatory Developments**

#### *China*

On December 24, 2021, the CSRC released the Provisions of the State Council on the Administration of the Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) and Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (collectively, the “**Draft Overseas Listing Regulations**”) for public comments, both of which had a comment period that expired on January 23, 2022. The Draft Overseas Listing Regulations, if adopted in their current form, will regulate both direct and indirect overseas offering and listing of PRC domestic companies’ securities by adopting a filing-based regulatory regime. Our PRC Legal Advisor is of the view that, the Draft Overseas Listing Regulations were released only for soliciting public comments at this stage and their provisions and anticipated adoption or effective date are subject to changes, and thus their interpretation and implementation remain substantially uncertain.

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## SUMMARY

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Article 7 of the Provisions of the State Council on the Administration of the Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) prohibits overseas offerings and listings under certain specified circumstances (the “**Forbidden Circumstances**”). Please see “Regulatory Overview — Overview of Laws and Regulations in the PRC — Industry Regulations — PRC Laws and Regulations on Overseas Listings” for more details. To our best knowledge and after our PRC Legal Advisor’s due inquiry, we and our PRC Legal Advisor believe that we do not fall within any of the Forbidden Circumstances which would prohibit us from conducting overseas offering and listing under the Draft Overseas Listing Regulations. In the event that the Draft Overseas Listing Regulations are promulgated in their current form, subject to the specific filing procedures expected to be detailed in implementation rules subsequently, and the CSRC explicitly requires the application of such rules to the Company, we do not foresee any substantial legal impediment in obtaining the approval from and completing the filing procedures with the Draft Overseas Listing Regulations.

In addition, according to Article 6 of the Special Administrative Measures (Negative List) for the Foreign Investment Access (2021) (the “**2021 Negative List**”) which took effect on January 1, 2022, where a domestic company engaged in the business in the prohibited areas provided in the 2021 Negative List seeks to issue and list its shares overseas, it shall complete the examination process and obtain approval by the relevant competent authorities. As confirmed by our PRC Legal Advisor, according to the 2021 Negative List, companies engaged in the trading and production of nickel products and equipment manufacturing and sales like us do not fall within the prohibited areas provided in the 2021 Negative List, and therefore the requirements stipulated in the aforementioned Article 6 are not applicable to us.

On the basis of the above and the due diligence conducted by the Joint Sponsors, nothing material has come to the attention of the Joint Sponsors which would contradict the Directors’ and the PRC Legal Advisor’s views with regards to the recent regulatory developments in the PRC as disclosed above.

However, we cannot guarantee that new rules or regulations promulgated in the future, including without limitation to the Draft Overseas Listing Regulations, will not impose any additional requirements on us. Please see “Risk Factors — Risks Relating to Doing Business in the PRC — Relevant requirements of the State Council and the CSRC may have an uncertain impact on our Global Offering and future fundraising activities” for more details.

### *Indonesia*

On October 29, 2021, the Indonesian Government enacted Law No. 7 of 2021 concerning Harmonization of Tax Regulations (“**Law No. 7/2021**”). In addition to stipulating certain new legal requirements concerning the various tax laws and regulations, the Indonesian government stipulates new provisions regarding carbon tax. As of the Latest Practicable Date, detailed guidance specifying the relevant carbon tax thresholds and the calculation of carbon tax was still being drafted, and it remains uncertain when such guidance will become available. As such, our Indonesian legal advisor and our Directors are of the view that whether any of our current or future Indonesian subsidiaries will be subject to carbon tax, and if so, the estimated amount of carbon tax that they will be

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## SUMMARY

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incurring, remains uncertain. In September 2022, we conducted an interview with an account representative of KPP Madya Jakarta Pusat. According to our Indonesian legal advisor, Imran Muntaz & Co., KPP Madya Jakarta Pusat is the competent tax authority of our joint ventures in Indonesia and is the competent authority to consult these entities' carbon tax related matters with, and the account representative interviewed is competent and authorized to represent the authority in such matters. During the interview, the account representative confirmed that, as of the Latest Practicable Date, detailed guidance specifying the relevant carbon tax thresholds and the calculation of carbon tax was still being drafted, and it remains uncertain when such guidance will become available. Until such detailed guidance becomes available, we are not able to determine which of our joint venture entities in Indonesia will be subject to carbon tax or estimate the amount of potential carbon tax to be imposed. Once the Indonesian government provides clear guidance on the applicability of carbon tax, we will promptly estimate its potential impact and adjust our business operations to cope with the relevant legal and regulatory requirements. For further details on Law No. 7/2021, see "Regulatory Overviews — Overview of Laws and Regulations in Indonesia — Harmonization of Tax Regulations" for more details.

Although the detailed guidance on Indonesia's carbon tax regime has not been released, we are aware of a few non-official publicly available news and media reports that predict certain details under the carbon tax regime. For example, one of the sources predicted the potential way of calculating the carbon tax. Specifically, the emissions thresholds (the thresholds below which the emissions will not be subject to carbon tax) may be set at 0.918 tons of CO<sub>2</sub>e per megawatt hour for a power plant with a capacity above 400 MW, 1.013 tons of CO<sub>2</sub>e per megawatt hour for a power plant with a capacity between 100 MW to 400 MW and 1.094 tons of CO<sub>2</sub>e per megawatt hour for a mine-mouth plant with the same capacity. However, there is no assurance as to the accuracy of such publicly available news.

As of the Latest Practicable Date, two power plants with capacity of 30 MW each have been put into operation to supply the power usage of phase I of the HPAL project, and one of the four power plants with capacity of 150 MW each has been put into operation to supply the power usage of phase I of the RKEF project. In addition, one power plant with capacity of 60 MW is expected to be put into operation in December 2022 to supply the power usage of phase II of the HPAL project. As such, the capacity of the two power plants for phase I of the HPAL project and the capacity of the one power plant (which is currently under construction) for phase II of the HPAL project are below the capacity thresholds as mentioned in the news. While the capacity of the power plants for Phase I of the RKEF project is within the capacity thresholds as mentioned in the news, each of these power plants' emissions level is expected to be far below the emissions thresholds as mentioned in the news, which is 1.013 tons of CO<sub>2</sub>e per megawatt hour. As such, if the carbon tax is going to be implemented pursuant to the thresholds mentioned in the news, none of the power plants of the Obi projects are expected to be subject to such carbon tax.

Having taking into account that: (i) none of the power plants of the Obi projects are expected to be subject to carbon tax according to the thresholds set forth in the news, and (ii) power generation is not our main business operation, our Indonesian legal advisor is of the view that the carbon tax

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## SUMMARY

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regime is not expected to pose any material adverse impact on our overall business operations and financial performance. However, we will continue to monitor regulatory updates and further assess the impact of the carbon tax regime as the relevant implementation details become available. We will make announcements and regular reporting in our future interim and annual reports in relation to the regulatory updates on the carbon tax and the impact of such carbon tax on our business operations and financial performance.

With the rising awareness of climate change and environmental protection, there may be more stringent regulations laws and regulations that may affect our business operations. Accordingly, we will need to devote more efforts and resources to ensure our compliance. We have in place and plan to further adopt a series of measures aiming to ensure our compliance of the applicable laws and regulations. See “Business — Risk Management — Legal and Compliance” for more information. We believe that our relevant risk management measures can effectively mitigate the relevant risks and help us navigate the complex regulatory environment.

### **NO MATERIAL ADVERSE CHANGE**

Our Directors confirm that, as of the date of this prospectus, save as disclosed above, there has been no material adverse change in our financial performance or business operations since June 30, 2022, the end of the period reported on in the Accountants’ Report set out in Appendix IA to this prospectus and there is no event since June 30, 2022 which would materially affect the information shown in our consolidated financial statements included in the Accountant’s Report in Appendix IA to this prospectus.