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赣锋锂业  
**GanfengLithium**  
**Ganfeng Lithium Co., Ltd.**  
江西赣锋锂业股份有限公司

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

**(Stock Code: 1772)**

**PLACING OF NEW H SHARES UNDER SPECIFIC MANDATE**

**Joint Global Coordinators and Joint Placing Agents**

*(in alphabetical order)*

**BofA SECURITIES** 

 **CITIC  
SECURITIES**

 **UBS**

**Joint Placing Agent**



On June 10, 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agents in relation to the Placing, on a best efforts basis, of 48,044,400 new H Shares at the Placing Price of HK\$101.35 per H Share.

The Placing Shares represent approximately 20.00% and 3.46%, respectively, of the total existing issued H Shares and the total existing issued share capital of the Company as at the date of this announcement, and approximately 16.67% and 3.34%, respectively, of the total issued H Shares and the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Agents will, on a best efforts basis, place the Placing Shares to no less than six Placees, who will be professional, institutional or other investors, during the Placing Period subject to the terms and conditions set out in the Placing Agreement.

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$4,869.30 million and the aggregate net proceeds (after deducting all applicable costs and expenses, including commission and legal fees) from the Placing are expected to be approximately HK\$4,854.75 million. The Company intends to use the net proceeds from the Placing for capacity expansion construction and potential investment, and replenishment of working capital and general corporate purpose. Capacity expansion construction is mainly involved in the offshore lithium resources projects of the Company. Potential investment of the lithium resources may include ores, brine, lithium clay, etc. The Company plans to use the net proceeds in the following one to two years.

The Placing Shares will be allotted and issued under the Specific Mandate. The Placing is not subject to any further approval of the Shareholders.

**Since completion of the Placing is subject to the satisfaction of certain conditions mentioned herein, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.**

On June 10, 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agents in relation to the Placing, on a best efforts basis, of 48,044,400 new H Shares at the Placing Price of HK\$101.35 per H Share.

## **THE PLACING AGREEMENT**

### **Date**

June 10, 2021 (after trading hours)

### **Parties**

- (1) the Company; and
- (2) CLSA Limited, Merrill Lynch (Asia Pacific) Limited, UBS AG Hong Kong Branch and Citigroup Global Markets Limited as the Placing Agents.

### **Placing**

Pursuant to the Placing Agreement, the Placing Agents have severally (but not jointly nor jointly and severally) agreed to act as the agents of the Company to procure (either by themselves or through their respective affiliates or through their respective sub-placing agents) subscribers on a best efforts basis to subscribe for an aggregate of 48,044,400 new H Shares at the Placing Price during the Placing Period subject to the terms and conditions set out in the Placing Agreement.

### **The Placees**

The Placing Agents will, on a best efforts basis, place the Placing Shares to no less than six Placees, who will be professional, institutional or other investors. The choice of the Placees for the Placing Shares shall be determined by the relevant Placing Agent after consultation with the Company, subject to the requirements of the Listing Rules and in particular, each Placing Agent shall use its reasonable endeavours, based on information available to such Placing Agent, information provided by the Company and/or confirmations from the Placees procured by such Placing Agent, to ensure that each Placee procured by such Placing Agent is not a connected person of the Company. It is expected that none of the individual Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the completion of the Placing.

### **Number of Placing Shares**

The Placing Shares represent approximately 20.00% and 3.46%, respectively, of the total existing issued H Shares and the total existing issued share capital of the Company as at the date of this announcement, and approximately 16.67% and 3.34%, respectively, of the total issued H Shares and the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares will be RMB48,044,400.

## **Placing Price**

The Placing Price of HK\$101.35 per Placing Share represents:

- (1) a discount of approximately 5.01% to the closing price of HK\$106.70 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 8.56% to the average closing price of HK\$110.84 per H Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day; and
- (3) a discount of approximately 10.03% to the average closing price of HK\$112.65 per H Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to and including the Last Trading Day.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agents according to the international practice, PRC regulation requirements and international capital markets conditions and the market price of the H Shares at the time of the issue of the new H Shares and with reference to the valuation of the companies of the same type as the Company in the international capital markets, after fully taking into account the interests of the existing Shareholders, preference of investors and risks in relation to the issue of the new H Shares.

The Company and the Placing Agents shall each be responsible for its or their costs and expenses of its or their own legal and other professional advisers and the out-of-pocket expenses incurred in connection with the Placing. The net Placing Price (after deducting all applicable costs and expenses) is approximately HK\$101.05 per Placing Share.

## **Ranking of the Placing Shares**

The Placing Shares, when issued pursuant to the Placing Agreement, will be fully paid up and will rank *pari passu* in all respects with other H Shares then in issue free from any Encumbrance whatsoever and together with all rights attaching thereto as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid, the record date for which falls on or after the date of issue of the Placing Shares, and will be duly listed on the Stock Exchange.

## **Conditions of the Placing**

Completion of the Placing on the Closing Date is conditional upon the fulfillment (or, in respect of (iii) waiver by the Placing Agents) of the following conditions:

- (i) all necessary approval and consents from relevant authorities of the PRC (including but not limited to the approval from the CSRC) in connection with the Placing having been obtained and remaining in full force and effect on the Closing Date;
- (ii) the Listing Committee granting approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares); and
- (iii) the Placing Agents having received the legal opinions as required by the Placing Agents.

If the conditions are not fulfilled or, where applicable, waived by the Placing Agents at or before 8 a.m. (Hong Kong time) on the Closing Date, the Placing Agreement shall terminate and neither the Company nor the Placing Agents shall be liable to the other or have any claim against the other for costs, damages, compensation or otherwise arising under the Placing Agreement, save and except for any liability for antecedent breaches of any party to the Placing Agreement or as otherwise stipulated in the Placing Agreement.

## **Termination**

If at any time at or prior to 8 a.m. (Hong Kong time) on the Closing Date, any of the specific events provided in the Placing Agreement, such as any breach of any of the representations, warranties and undertakings by the Company as set out in the Placing Agreement, occurs, then and in any such case, the Placing Agents may terminate the Placing Agreement without liability to the Company by giving written notice to the Company, provided that such notice is given at or prior to 8 a.m. (Hong Kong time) on the Closing Date.

## **Lock-up Undertakings by the Company**

The Company undertakes that, save for the issue and allotment of the A Shares pursuant to (i) the exercise of any options that may be granted under the A Share share option incentive scheme adopted by the Company on June 4, 2021; or (ii) any restricted A Share incentive scheme to be duly adopted and approved by the Shareholders and the Board from time to time for the purpose of incentivising employees of the Company and its subsidiaries, for the period commencing from (and including) the date of the Placing Agreement and up to 90 days from (and including) the Closing Date, neither the Company nor any person acting on its behalf will: (a) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any shares of the Company or any interests in the shares of the Company or any securities convertible into or exercisable or exchangeable for or substantially similar to any shares of the Company or interest in the shares of the Company except for the Placing Shares; or (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (a) above, unless with the prior written consent of the Placing Agents; or (c) announce any intention to enter into or effect any such transaction described in (a) or (b) above unless with the prior written consent of the Placing Agents.

## **Completion of the Placing**

Completion of the Placing shall take place on the Closing Date subject to the fulfillment with the provisions of the Placing Agreement.

## Effect of Shareholding Structure

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Placing on the Closing Date (assuming that there will be no other changes in the issued share capital of the Company from the date of the Placing Agreement to the completion of the Placing on the Closing Date except for the allotment and issue of the Placing Shares pursuant to the Placing Agreement):

Shareholder	As at the date of this announcement		As at the Closing Date	
	Number of Shares	Approximate percentage of total issued share capital	Number of Shares	Approximate percentage of total issued share capital
<i>H Shareholders who are our core connected persons</i>				
Wang Xiaoshen	37,000	0.00%	37,000	0.00%
<i>Public H Shareholders</i>				
Placees	–	–	48,044,400	3.34%
Other public H Shareholders	240,185,800	17.29%	240,185,800	16.71%
Total issued H Shares	240,222,800	17.29%	288,267,200	20.05%
<i>A Shareholders who are our core connected persons</i>				
Li Liangbin	270,269,871	19.45%	270,269,871	18.80%
Wang Xiaoshen	100,898,904	7.26%	100,898,904	7.02%
Other core connected persons	18,330,191	1.32%	18,330,191	1.28%
Public A Shareholders	759,712,714	54.68%	759,712,714	52.85%
Total issued A Shares	1,149,211,680	82.71%	1,149,211,680	79.95%
Total issued Shares	<u>1,389,434,480</u>	<u>100.00%</u>	<u>1,437,478,880</u>	<u>100.00%</u>



## **INDEPENDENCE OF THE PLACING AGENTS**

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Placing Agents and its ultimate beneficial owners are not a connected person of the Company and are independent of any connected person of the Company.

## **SPECIFIC MANDATE TO ISSUE THE PLACING SHARES**

The Placing Shares will be allotted and issued by the Company pursuant to the Specific Mandate under which the Board is authorized to issue H Shares up to 48,044,560 H Shares. As at the date of this announcement, the Company has not issued any new H Shares pursuant to the Specific Mandate. The Placing Shares will be issued under the Specific Mandate. The issuance of the Placing Shares will utilize 100% (rounded down to the nearest whole board lot) of the Specific Mandate. The Placing is not subject to any further approval of the Shareholders.

## **REGULATORY APPROVALS**

The Company has obtained all necessary PRC regulatory approvals in respect of the Placing, including the approval from the CSRC.

## **REASONS FOR AND BENEFITS OF THE PLACING**

The Company, together with its subsidiaries, are principally engaged in the manufacturing of basic chemical raw materials, sales of chemical products, manufacturing of batteries and import and export of goods. In recent years, the Company has maintained its fast pace of business development with abundant business reserves, resulting in the increase in the financing needs of the Company. The Directors considered that the Company will further consolidate the capital foundation for the sustainable development of its various business lines upon the completion of the Placing, which is beneficial to the development of the Company's core competitiveness and the realization of strategic objectives.

The Directors consider that the terms of the Placing Agreement were entered into on normal commercial terms after arm's length negotiations and that the terms therein, including but not limited to the Placing Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.



## USE OF PROCEEDS

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$4,869.30 million and the aggregate net proceeds (after deducting all applicable costs and expenses, including commission and legal fees) from the Placing are expected to be approximately HK\$4,854.75 million. The Company intends to use the net proceeds from the Placing as set out below:

<b>Intended use of net proceeds</b>	<b>Proportion of net proceeds allocated</b>
Capacity expansion construction and potential investment	80%
Replenishment of working capital and general corporate purpose	20%

Capacity expansion construction is mainly involved in the offshore lithium resources projects of the Company. Potential investment of the lithium resources may include ores, brine, lithium clay, etc. The Company plans to use the net proceeds in the following one to two years. To the extent that the net proceeds are not immediately required for the above purposes, the Company may hold such funds in short-term deposits or purchase short-term wealth management products so long as it is deemed to be in the best interests of the Company.

## EQUITY FUND-RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save as disclosed in this announcement and apart from the equity fund-raising activity mentioned below, the Company has not conducted any fund-raising activity involving the issue of equity securities and securities convertible into shares of the Company during the 12 months immediately before the date of this announcement.

On August 6, 2020, the Company publicly issued a total number of 21,080,000 A Share convertible bonds with a nominal value of RMB100 each. Therefore, the aggregate principal amount of the A Share convertible bonds issued is RMB2,108 million. The net proceeds raised were RMB2,093 million after deducting all applicable costs. The net proceeds obtained from the issuance of such A Share convertible bonds have been utilized for the subscription for certain equity interests of Minera Exar S.A., renovation and expansion project for ten thousand tonne lithium salt and replenishment of working capital as indicated in the circular of the Company dated June 28, 2019. As at May 31, 2021, the Company had utilized net proceeds of RMB1,912,143,000 in aggregate. The Company redeemed all outstanding A Share convertible bonds on May 19, 2021.

On September 23, 2020, an aggregate of 40,037,000 H Shares have been successfully placed from which the Company received approximately HK\$1,449 million of net proceeds in aggregate. The net proceeds obtained from such previous issuance of H Shares have mainly been utilized for the construction of overseas projects of the Company and general corporate purposes. As at the date of this announcement, the net proceeds obtained from such previous issuance of H Shares have all been utilized.

## **APPLICATION FOR LISTING**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares on the Stock Exchange.

**Since completion of the Placing is subject to the satisfaction of certain conditions mentioned herein, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.**

## **DEFINITIONS**

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“A Shareholders”	holders of A Shares
“A Shares”	the ordinary share(s) of the Company, with a nominal value of RMB1.00 each, which are subscribed for in RMB and listed on the Shenzhen Stock Exchange (stock code: 002460)
“Board”	the board of Directors
“Closing Date”	June 21, 2021 or such other date as the Company and the Placing Agents may agree in writing
“Company”	Ganfeng Lithium Co., Ltd. (江西贛鋒鋰業股份有限公司), a joint stock company established in the PRC with limited liability, the A Shares of which and the H Shares of which are listed on the Shenzhen Stock Exchange (stock code: 002460) and on the Main Board of the Stock Exchange (stock code: 01772), respectively
“connected person”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)

“Director(s)”	the director(s) of the Company
“Encumbrance”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having a similar effect to any of the foregoing
“HK\$”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Shareholders”	holders of H Shares
“H Shares”	the overseas listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars (stock code: 01772)
“Last Trading Day”	June 10, 2021, being the last trading day prior to the signing of the Placing Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Placee(s)”	any professional, institutional or other investor procured by or on behalf of any Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement

“Placing”	the offer by way of a private placing of the Placing Shares by or on behalf of the Placing Agents to the Placees on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent(s)”	CLSA Limited, Merrill Lynch (Asia Pacific) Limited, UBS AG Hong Kong Branch and Citigroup Global Markets Limited
“Placing Agreement”	a conditional placing agreement entered into on June 10, 2021 (after trading hours) among the Company and the Placing Agents in respect of the Placing
“Placing Period”	the period commencing upon the execution of the Placing Agreement and terminating at completion of the Placing on the Closing Date (or such later time and date as the Company and the Placing Agents may agree in writing), unless terminated earlier pursuant to the Placing Agreement
“Placing Price”	HK\$101.35 per Placing Share (exclusive of all brokerage, Hong Kong stamp duty, Stock Exchange trading fees and SFC transaction levy)
“Placing Shares”	48,044,400 new H Shares to be allotted and issued by the Company pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, and for the purposes of this announcement only and except where the context requires otherwise, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	Securities and Futures Commission of Hong Kong

“Share(s)”	A Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate granted by the Shareholders to the Board at the extraordinary general meeting of the Company held on March 17, 2021
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board  
**Ganfeng Lithium Co., Ltd.**  
**Li Liangbin**  
*Chairman*

Jiangxi, the PRC  
June 11, 2021

*As at the date of this announcement, the Board comprises Mr. LI Liangbin, Mr. WANG Xiaoshen, Ms. DENG Zhaonan and Mr. SHEN Haibo as executive directors of the Company; Mr. YU Jianguo and Ms. YANG Juan as non-executive directors of the Company; and Mr. LIU Jun, Ms. WONG Sze Wing, Ms. XU Yixin and Mr. XU Guanghua as independent non-executive directors of the Company.*