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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)

**VOLUNTARY ANNOUNCEMENT
IN RELATION TO THE INVESTMENT AND CONSTRUCTION OF
NEW-TYPE LITHIUM BATTERY PROJECT WITH 15GWH ANNUAL
CAPACITY BY GANFENG LIENERGY**

This announcement is made voluntarily by Ganfeng Lithium Co., Ltd (the “**Company**”) together with its subsidiaries, the “**Group**”) to inform the shareholders of the Company and potential investors of the latest news of business development of the Group.

A. OVERVIEW OF THE EXTERNAL INVESTMENT

1. In order to build a competitive new-type lithium battery production base and to realize the Company’s development goal of becoming bigger and stronger, Jiangxi Ganfeng LiEnergy Technology Co., Ltd. (the “**Ganfeng LiEnergy**”), a controlled subsidiary of the Company, intend to invest RMB 3 billion in the construction of a new-type lithium battery project with 5GWh annual capacity in High Tech Industrial Development Zone of Xinyu, Jiangxi and invest RMB5.4 billion to set up a new independent legal entity project company to build a new-type lithium battery Science and Technology industrial park with an annual capacity of 10 GWh and an Advanced Battery Research Institute project in Liangjiang New District, Chongqing.
2. The 32th meeting of the fifth session of the board of directors of the Company (the “**Board**”) considered and approved the resolution on the investment and construction of new-type lithium battery projects with 15GWh annual capacity by Ganfeng LiEnergy. In accordance with the relevant requirements of the articles of association and the rules for management of external investments, the investment shall be subject to the

approval of the the extraordinary general meeting of the Company to be held at 2:00 pm, on Tuesday, August 31, 2021 at the conference room of the Company, at 4th Floor, R&D Building at the Company's Headquarter, Longteng Road, Economic Development Zone, Xinyu, Jiangxi Province, the PRC.

3. The investment does not constitute a related party transaction, nor does it constitute a major asset reorganization as required by the Administrative Measures for Major Assets Restructuring of Listed Companies.

B. BASIC INFORMATION OF INVESTORS

1. Jiangxi Ganfeng LiEnergy Technology Co., Ltd.

Unified social credit code: 91360500576129026E

Address: 2551 Yangguang Avenue, High Tech Development Zone, Xinyu City, Jiangxi Province

Registered capital: RMB915.36 million

Legal representative: Ge Zhimin

Business scope: research and development, production and sales of lithium-ion power batteries, fuel cells, and energy storage batteries; research and development, production and sales of super capacitors, battery management system, wind and solar energy storage system, and related equipment and instruments; lithium battery industrial design services; lithium battery technology consulting, promotion and transfer services; self-operated and commissioned import and export business for commodities (operated with license).

Shareholders and shareholding proportion: the Company is largest shareholder, holding 54.6233% of its equity

2. Chongqing Ganfeng LiEnergy Technology Co., Ltd. (the independent legal entity project company established newly by Ganfeng LiEnergy in Liangjiang New District, Chongqing, a tentative name, the final name is subject to industrial and commercial registration and filing)

Address: Longxing Park, Liangjiang New District, Chongqing

Registered capital: RMB100 million

Legal representative: to be determined

Business scope: research and development, production and sales of various lithium-ion batteries, super capacitors, battery modules and management systems, wind and solar energy storage system, and related equipment and instruments; lithium battery industrial design services; lithium battery technology consulting, technology promotion and transfer services; import and export business of self-operated and agent goods (operated with license). (The final business scope approved by the market supervision department shall prevail)

Shareholders and shareholding proportion: Ganfeng LiEnergy holds 100% of the equity interest.

C. BASIC INFORMATION AND MAIN CONTENT OF THE PROJECT

1. New-type battery project with 5GWh annual capacity

Project name: power battery phase II new-type battery project with 5GWh annual capacity

Project location: Yangguang Avenue, High-tech Zone, Xinyu City, Jiangxi Province

Project investment and source of funds: the total investment of the project will not exceed RMB3 billion. The sources of funds are internal financing and bank loans. The investment amount is a budget, and the actual specific investment amount shall prevail.

Project construction period: the project will be completed and put into operation in October 2023

Construction details of the project: the project includes 4 new power battery production plants, battery R&D center building, product analysis and Testing Center comprehensive building, class A and B warehouse, stokehold and supporting power supply, heating, fire fighting and environmental protection

ancillary facilities, as well as office building, duty building, canteen and other office and living supporting facilities

2. New-type lithium battery Science and Technology Industrial Park with annual capacity of 10GWh and Advanced Battery Research Institute Project

Project name: Ganfeng new-type lithium battery Science and Technology industrial park and Advanced Battery Research Institute Project

Project location: Longxing Park, Liangjiang New District, Chongqing

Project investment and source of funds: the total investment of the project will be RMB5.4 billion and the source of funds is internal financing and bank loans. The investment amount is a budget, and the actual specific investment amount shall prevail.

Project construction period: enter into construction within 3 months from the date of signing the “Land delivery minutes”. The completion filing shall be completed within 18 months from the date of commencement of construction, and the project shall be put into operation within 6 months after completion filing.

Construction details of the project: building 10GWh lithium battery manufacturing base. After Ganfeng LiEnergy or its controlled company reached cooperation with new energy vehicle enterprises in Chongqing, Ganfeng LiEnergy will establish an advanced battery research institute in Chongqing to provide technical support for the technical update and product iteration of various solid-state batteries, and jointly carry out application technology research and development with downstream customers such as automobiles and consumer electronics

D. MAJOR TERMS OF THE AGREEMENT

- i. New-type lithium battery project with annual capacity of 5GWh.**

Party A: Management Committee of Xinyu high tech Industrial Development Zone

Party B: Ganfeng LiEnergy

1. Project Name: new type lithium battery production project with an annual output of 5GWh.
2. Project investment amount: RMB3 billion.

3. Project land: the total land area of the project is about 380 mu, which is industrial land, and the service life is implemented in accordance with national policies.
4. Project settlement requirements
 - (1) Environmental protection.: The project must obtain the Environmental Impact Assessment approval before construction, and after completion and during operation, the discharge of waste gas, waste water, waste residue, dust, odor gas, radioactive substances, noise, vibration, electromagnetic wave, radiation and other pollutants must meet the national and local discharge standards.
 - (2) Safe production: From the commencement of construction to the operation of the project, Party B must strictly comply with the relevant national regulations and requirements on safety production. Party B shall earnestly strengthen safety production management, strengthen safety education and training, eliminate hidden dangers and prevent safety accidents.
 - (3) Comprehensive utilization: The project shall adhere to the principle of land conservation, implement the requirements of energy conservation and consumption reduction, and pay attention to improving the comprehensive utilization efficiency of project resources.
5. Rights and obligations of Party A
 - (1) Before the commencement of Party B's project, Party A shall be responsible for connecting water, electricity and roads to the edge of Party B's land acquisition red line, and the relevant water and electricity expenses incurred during construction, production and operation shall be borne by Party B.
 - (2) Party A shall be responsible for clearing the surface attachments of the land under the contract before the project starts construction, and Party A shall be responsible for land leveling and bear the expenses incurred.
 - (3) If Party B meets the relevant conditions, Party A may assist Party B in handling the enterprise registration and relevant approval procedures, and the expenses shall be borne by Party B.

6. Rights and obligations of Party B

- (1) The project must meet the requirements of development and reform, fire control, safety supervision and environmental protection, and can only be started after being approved by relevant departments.
- (2) Within the business scope approved by the state, Party B shall operate independently and be responsible for its own profits and losses in accordance with the relevant laws and regulations of the state.
- (3) Party B's planning and design shall follow the regulatory detailed planning of the east area of Xinyu City, and carry out the planning and design according to the planning and design conditions provided by Party A and relevant national, provincial and municipal regulations.

ii. New-type lithium battery Science and Technology Industrial Park with annual capacity of 10GWh and Advanced Battery Research Institute Project.

Party A: Chongqing Liangjiang New Area Management Committee

Party B: Ganfeng LiEnergy

1. Project introduction

- (1) Project Name: Ganfeng new-type lithium battery Science and Technology Industrial Park and Advanced Battery Research Institute Project.
- (2) Project amount: Party B plans to invest RMB5.4 billion to build a new lithium battery Science and Technology Industrial Park and an Advanced Battery Research Institute in the area directly under the jurisdiction of Party A. The project is planned to be located at the industrial land in Longxing Park, Liangjiang New Area with land area of 248 mu (the final plan shall be subject to the plan approved by the bureau of urban planning and land resources department).

- (3) Project content: building a production and manufacturing base of about 10GWh lithium battery. After Ganfeng LiEnergy or its controlled company reached cooperation with new energy vehicle enterprises in Chongqing, Ganfeng LiEnergy will establish an advanced battery research institute in Chongqing to provide technical support for the technical update and product iteration of various solid-state batteries, and jointly carry out application technology research and development with downstream customers such as automobiles and consumer electronics.

2. Project development plan

- (1) Industrial Park Project: Party B or its holding company shall, with the assistance of Party A, establish an industrial park project company as an independent legal entity in the area directly under the jurisdiction of Party A within 1 month after the effectiveness of this agreement. The registered capital of the industrial park project company is RMB100 million, which will be fully in place within 3 years from the date of registration.
- (2) Research Institute Project: After party A fully assists Party B or its controlled company to reach cooperation with new energy vehicle enterprises in Chongqing, Party B will establish the Research Institute in the area directly under the jurisdiction of Party A. If an independent legal entity research institute project company is established, the registered capital of the research institute project company will be RMB30 million, which will be fully in place within one year after the research institute project is put into operation.

3. Representations and warranties of Party A

- (1) Party A will fully assist Party B to reach cooperation with relevant new energy vehicle enterprises in Chongqing.
- (2) From the effective date of this agreement, Party A shall, in accordance with the requirements of Chinese laws, regulations and policies, provide high-quality services for Party B and its controlled company to establish industrial park project companies and research institute project companies. Party A shall assist Party B in handling the administrative approval procedures related to the project construction, such as environmental assessment, project approval, industrial and commercial registration and construction application, and the relevant expenses shall be paid by Party B itself.

4. Representations and warranties of Party B

- (1) Party B shall strictly abide by the relevant provisions of regional industrial planning, land planning and urban planning directly under the jurisdiction of Party A, design the plant layout according to the planning data provided by Party A (and shall meet the planning and design requirements of regional industrial plants directly under the jurisdiction of Party A).
- (2) Party B shall strictly abide by laws and regulations and regulations on Construction in the park where the project is located, and achieve “civilized and safe construction”. After the project is completed and put into operation, industrial pollutants and wastes shall be disposed of and meet the requirements of the competent ecological environment department.
- (3) Party B shall ensure that the project company of the industrial park and the project company of the research institute pay taxes in a timely manner in the area directly under the jurisdiction of Party A, and pay various expenses such as urban construction supporting fees and civil air defense relocation fees in a timely manner.
- (4) After the commencement of the project, Party B shall timely submit production, construction and other relevant information to the Department and Party A in accordance with the relevant provisions of relevant departments such as planning and land resources, construction management and statistics.

E. THE PURPOSE OF THE INVESTMENT AND IMPACT ON THE COMPANY

Ganfeng LiEnergy invest in the construction of new-type battery project with 5GWh annual capacity in high tech Industrial Development Zone of Xinyu Jiangxi, new-type battery Science and Technology Industrial Park Project with 10GWh annual capacity and Advanced Battery Research Institute Project in Liangjiang New District, Chongqing, which is conducive to increase the production scale, market share and Research and Development capacity of lithium battery products, being close to the market and better serving core customers, promoting the optimization and upgrading of the structure of lithium industrial chain of the Company and enhancing the core competitiveness of the Company, which is in line with the integrated upstream and downstream development strategy of the Company. The project will have a positive impact on the financial position and business development of the Ganfeng LiEnergy.

The Company will continue to comply with the corresponding approval procedures and information disclosure obligations in accordance with relevant laws and regulations according to the development and progress of the transaction.

By order of the Board
GANFENG LITHIUM CO., LTD.
LI Liangbin
Chairman

Jiangxi, PRC
August 5, 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.