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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)**

**CONNECTED TRANSACTION  
PROVISION OF FINANCIAL ASSISTANCE TO  
CONNECTED PERSON**

**PROVISION OF GUARANTEE TO CONNECTED PERSON**

On April 26, 2022, a guarantee agreement was entered into between the Company and Mengjin Mining, pursuant to which, the Company and its subsidiaries will provide joint liability guarantee of no more than RMB500 million for Mengjin Mining to apply for loan from bank, and Mengjin Mining will provide equivalent counter guarantee to the Company and its subsidiaries with the actual guarantee amount received from the Company and its subsidiaries for a period of two years commencing from April 26 2022 to April 25, 2024. The guarantee limit is determined with reference to the future expenditure budget of Mengjin Mining. As of the date of this announcement, Mengjin Mining has not applied for a loan from any third party institution. No fee is or will be payable or charged and no securities are or will be taken or provided in relation to the provision of the guarantee and the counter guarantee.

**GENERAL**

As at the date of this announcement, Mr. Li Liangbin, the chairman and an executive director of the Company, holds 70% of the equity interests in Mengjin Mining. The provision of guarantee to Mengjin Mining constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios (other than the profits ratio) is less than 5%, pursuant to Rule 14A.76(2) of the Listing Rules, the provision of guarantee is subject to the reporting and announcement requirements and is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules. The provision of guarantee is not a notifiable transaction under Chapter 14 of the Listing Rules as each of the applicable percentage ratios is less than 5%.

As the counter guarantee provided by Mengjin Mining will be conducted on normal commercial terms and will not be secured by the assets of the Group, in accordance with Rule 14A.90 of the Listing Rules, such counter guarantee shall be fully exempted from reporting, announcement and independent Shareholders' approval requirements.

The transaction will be put forward to the Shareholders for consideration and approval by way of a special resolution at the AGM since the transaction is required to be approved by the Shareholders according to the laws of the PRC and the articles of association of the Company. A circular containing, among other things, details of the provision of guarantee and a notice to the Shareholders convening the AGM to approve the provision of guarantee will be dispatched to the Shareholders on or before May 6, 2022.

## **I. FINANCIAL ASSISTANCE**

### **The Provision of Guarantee**

In order to promote the development and construction of Mengjin Mining's Gabus niobium tantalum mine project in Xianghuangqi, Xilin Gol League, Inner Mongolia Autonomous Region, so as to meet the Company's demand for lithium resource growth in future development, on April 26, 2022, the Board approved that the Company and its subsidiaries will provide joint liability guarantee of no more than RMB500 million for Mengjin Mining to apply for loan from bank. The Company and Mengjin Mining entered into a guarantee agreement on April 26, 2022. Pursuant to the guarantee agreement, the Company and its subsidiaries will provide joint liability guarantee of no more than RMB500 million for Mengjin Mining to apply for loan from bank, and Mengjin Mining will provide equivalent counter guarantee to the Company and its subsidiaries with the actual guarantee amount received from the Company and its subsidiaries for a period of two years commencing from April 26, 2022 to April 25, 2024. The guarantee limit is determined with reference to the future expenditure budget of Mengjin Mining. As of the date of this announcement, Mengjin Mining has not applied for a loan from any third party institution. No fee is or will be payable or charged and no collaterals are or will be taken or provided in relation to the provision of the guarantee and the counter guarantee.

## II. BASIC INFORMATION ON THE GUARANTEED PARTY

Company name:	Xianghuangqi Mengjin Mining Development Co., Ltd. (鑲黃旗蒙金礦業開發有限公司)
Unified social credit Code:	911525280616432887
Legal representative:	Wu Lianhe
Registered capital:	RMB75.88 million
Company type:	limited liability company
Date of establishment:	March 15, 2013
Business scope:	tantalum, niobium, lithium, rubidium and cesium mining, and mineral product processing and sales (except those prohibited by the State)

Below is the financial data of Mengjin Mining for the two years indicated:

*Unit: RMB0'000*

Indicator	As at	As at December 31,
	December 31, 2020	2021
	(Unaudited)	(Unaudited)
Total Assets	35,099.08	42,857.29
Net Assets	2,940.83	4,090.36

  

Indicator	2020	2021
	(Unaudited)	(Unaudited)
Revenue	53.94	38.76
Profit (loss) before taxation	-2,017.47	-1,343.29
Profit (loss) after taxation	-2,017.47	-1,343.29

As at December 31, 2021, the gearing ratio of Mengjin Mining was 90.46%. As of the date of this announcement, the Gabus niobium tantalum mine project held by Mengjin Mining is still under construction. The negative net profit was mainly due to various expenses incurred in the project construction.

The shareholdings of each shareholder in the Mengjin Mining are as follows:

Shareholder	Shareholding percentage
Li Liangbin	70%
Xu Xiaowei	30%

Mr. Li Liangbin, the chairman and an executive director of the Company and a Chinese individual shareholder of Mengjin Mining, holds 70% of the equity interests in Mengjin Mining as at the date of this announcement.

Ms. Xu Xiaowei, a Chinese individual shareholder of Mengjin Mining, holds 30% of the equity interests in Mengjin Mining as at the date of this announcement. Ms. Xu Xiaowei is not related to the Company and the Company's controlling shareholders, actual controllers, Directors, supervisors and senior management in terms of property rights, business, assets, debts and liabilities, personnel, etc. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Ms. Xu Xiaowei is a third party independent of the Company and connected persons of the Company.

### **III. INFORMATION ON THE COMPANY**

The Company is principally engaged in the production of lithium hydroxide, lithium compound, lithium fluoride and butyl lithium; and the production, processing and sales of non-ferrous metals, batteries, instrumentation components, machinery and equipment, chemical products, chemical raw materials and chemical products.

### **IV. REASONS FOR AND BENEFITS OF THE FINANCIAL ASSISTANCE**

The provision of guarantees to Mengjin Mining ensures capital security for the Gabus niobium tantalum mine project held by Mengjin Mining to promote the production schedule of such project. When Mengjin Mining obtains a new mining certificate and the mining amount meets expectations, Mr. Li Liangbin undertakes to preferentially transfer the 70% equity interests of Mengjin Mining he holds to the Company at the cost of his acquisition of Mengjin Mining and additional investment (if any) in addition to reasonable expenses (including audited capital interest and other reasonable expenses). This guarantee is conducive to ensure the upstream lithium resource supply of the Company, facilitate the long-term stable development of the Company and improve the core competitiveness of the Company.

The Directors believe that the terms of the transaction are fair and reasonable and in the interests of the Shareholders as a whole.

## **V. OPINIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

The provision of guarantee to Mengjin Mining ensures capital security for the Gabus niobium tantalum mine project held by Mengjin Mining to promote the production schedule of such project, ensure the supply of raw materials of the Company, improve the core competitiveness, and comply with the upstream and downstream integration and the development strategy of new energy vehicle industry of the Company. The decision-making procedures and methods of the Board on the guarantee met the provisions of relevant laws and regulations and the articles of association of the Company. The independent non-executive Directors are of the view that the terms of the provision of guarantee are fair and reasonable, the provision of guarantee is conducted on normal commercial terms or better and in the usual and ordinary course of business of the Group, and the provision of guarantee is in the interests of the Company and its shareholders as a whole. Therefore, all non-executive Directors approved the provision of guarantee to Mengjin Mining.

## **VI. GENERAL**

As at the date of this announcement, Mr. Li Liangbin, the chairman and an executive director of the Company hold 70% of the equity interest in Mengjin Mining. The provision of guarantee to Mengjin Mining constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios (other than the profits ratio) is less than 5%, pursuant to Rule 14A.76(2) of the Listing Rules, the provision of guarantee is subject to the reporting and announcement requirements and is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules. The provision of guarantee is not a notifiable transaction under Chapter 14 of the Listing Rules as each of the applicable percentage ratios is less than 5%.

As the counter guarantee provided by Mengjin Mining will be conducted on normal commercial terms and will not be secured by the assets of the Group, in accordance with Rule 14A.90 of the Listing Rules, such counter guarantee shall be fully exempted from reporting, announcement and independent Shareholders' approval requirements.

Since Mr. Li Liangbin, the actual controller of the Company, is the controlling shareholder of Mengjin Mining, this transaction constitutes a related-party transaction. Mr. Li Liangbin has abstained from voting on the Board resolution to approve the provision of guarantee to Mengjin Mining. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Director has a material interest in this guarantee. The transaction will be put forward to the Shareholders for consideration and approval by way of a special resolution at the AGM since the transaction is

required to be approved by the Shareholders according to the laws of the PRC and the articles of association of the Company. A circular containing, among other things, details of the provision of guarantee and a notice to the Shareholders convening the AGM to approve the provision of guarantee will be dispatched to the Shareholders on or before May 6, 2022. Mr. Li Liangbin and his associates will abstain from voting on the resolution to be proposed at the AGM in respect of the provision of guarantee to Mengjin Mining and related-party transaction.

## VII. DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held on June 10, 2022 to approve, among other things, the agreement entered into between the Company and Mengjin Mining in relation to provision of guarantee in the maximum amount of RMB500 million for a period of two years commencing from April 26, 2022 to April 25, 2024;
“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“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 on March 2, 2000 and converted from its predecessor Jiangxi Ganfeng Lithium Company Limited (江西贛鋒鋰業有限公司, formerly known as Xinyu Ganfeng Lithium Company Limited(新餘贛鋒鋰業有限公司) into a joint stock company with limited liability under the PRC Company Law on December 18, 2007, the A shares of which have been listed on the Shenzhen Stock Exchange since August 10, 2010 (Stock Code: 002460)
“connected persons”	has the meaning ascribed thereto in the Listing Rules;
“Directors”	the directors of the Company;

“Financial Assistance”	the financial assistance provided to the connected person as set out in the paragraph headed “Financial Assistance” in this announcement;
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Mengjin Mining”	Xianghuangqi Mengjin Gold Mining Development Co., Ltd. (鑲黃旗蒙金礦業開發有限公司)
“PRC”	The People’s Republic of China and, for the sole purpose of this announcement, shall exclude Hong Kong, MacaunSpecial Administrative Region of the PRC and Taiwan;
“RMB”	renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

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

Jiangxi, PRC  
April 26, 2022

*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 Ms. WONG Sze Wing, Ms. XU Yixin and Mr. XU Guanghua as independent non-executive directors of the Company.*