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This circular, for which the directors (“**Directors**”) of Ganfeng Lithium Co., Ltd. (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading. All opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, other licensed corporation, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your shares in the Company, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, licensed corporation, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).



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)

- (1) ENGAGEMENT OF DOMESTIC AND OVERSEAS AUDITORS AND THE INTERNAL CONTROL AUDITORS FOR 2022**
- (2) THE REMUNERATION OF DOMESTIC AND OVERSEAS AUDITORS AND THE INTERNAL CONTROL AUDITORS FOR 2022**
- (3) DETERMINATION OF DIRECTORS' EMOLUMENTS**
- (4) DETERMINATION OF SUPERVISORS' EMOLUMENTS**
- (5) PROFIT DISTRIBUTION PROPOSAL FOR 2021**
- AND ISSUANCE OF BONUS SHARES BY WAY OF CONVERSION OF CAPITAL RESERVE**
- (6) CONTINUING RELATED-PARTY TRANSACTIONS FOR 2022**
- (7) GRANT OF GENERAL MANDATE TO THE BOARD**
- (8) GENERAL MANDATE TO ISSUE DOMESTIC AND OVERSEAS DEBT FINANCING INSTRUMENTS**
- (9) ENGAGEMENT IN FOREIGN EXCHANGE HEDGING BUSINESS BY THE COMPANY AND ITS SUBSIDIARIES**
- (10) PROVISION OF GUARANTEES TO MENGJIN MINING AND RELATED-PARTY TRANSACTION**
- (11) INDUSTRIAL INVESTMENT WITH SELF-OWNED FUNDS**
- (12) SHAREHOLDERS' RETURN PLAN FOR THREE YEARS OF 2022 TO 2024**
- (13) NOTICE OF THE 2021 AGM**
- AND**
- (14) NOTICE OF THE H SHARE CLASS MEETING**

The notices convening the AGM and the H Share Class Meeting to be held at the Conference Room at 4th Floor, R&D Building at the Company's Headquarter, Longteng Road, Economic Development Zone, Xinyu, Jiangxi Province, PRC on Friday, June 10, 2022 at 2:00 p.m.; and the form of proxy for use at and the reply slip in relation to the AGM and the H Share Class Meeting were despatched by the Company on May 6, 2022 and also published and available for downloading on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.com.hk and of the Company at www.ganfenglithium.com.

The 2021 AGM of the Company will be held at the Conference Room at 4th Floor, R&D Building at the Company's Headquarter, Longteng Road, Economic Development Zone, Xinyu, Jiangxi Province, PRC on Friday, June 10, 2022 at 2:00 p.m.; Notice of the AGM is set out on pages 36 to 38 of this circular. The H Share Class Meeting of the Company will be held 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, PRC on Friday, June 10, 2022, immediately after the conclusion or adjournment of the A Share Class Meeting to be held on the same day at the same venue; Notice of the H Share Class Meeting is set out on pages 39 to 41 of this circular.

Whether or not you intend to attend the AGM and the H Share Class Meeting, you are advised to complete and return the form of proxy in respect of the AGM and the H Share Class Meeting in accordance with the instructions printed thereon as soon as possible and, in any event, not less than 24 hours prior to the commencement of such meeting or any adjournments thereof, (i.e., not later than Thursday, June 9, 2022 (Hong Kong time)). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM and the H Share Class Meeting or any adjournment thereof should you so wish.

May 6, 2022

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM” or “2021 AGM”	the 2021 annual general meeting of the Company to be held on Friday, June 10, 2022 at the Conference Room, 4th Floor, R&D Building at the Company’s Headquarter, Longteng Road, Economic Development Zone, Xinyu, Jiangxi Province, PRC
“Articles of Association”	the articles of association of the Company with effect from April 22, 2022, as amended from time to time
“A Share(s)”	the RMB denominated ordinary share(s) of the Company, with a nominal value of RMB1.00 each, which are listed and traded on the Shenzhen Stock Exchange
“A Shareholder(s)”	holders of A Shares
“A Share Class Meeting”	the class meeting of A Shareholders
“Board”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“Bonus Issue”	the proposed issue of four (4) Bonus Shares for every ten (10) Shares by way of conversion of capital reserve
“Bonus Shares”	the new Shares to be allotted and issued under the Bonus Issue by the Company
“Cash Dividends”	the cash dividend of RMB3 (tax inclusive) proposed to be distributed for every 10 Shares to all Shareholders with the undistributed profit based on the total share capital of the Company as at the record date at the time of distribution of annual profit
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Class Meetings”	the class meeting of A Shareholders and the class meeting of H Shareholders

DEFINITIONS

“Company”	Ganfeng Lithium Co., Ltd. (江西贛鋒鋰業股份有限公司), a joint stock company with limited liability established in the PRC with limited liability whose A Shares and H Shares are listed on the SZSE (stock code:002460) and on the Main Board of Stock Exchange (stock code:01772), respectively
“Company Law”	Company Law of the People’s Republic of China, as amended from time to time
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong 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
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed and traded on the Stock Exchange
“H Shareholder(s)”	holders of H Shares
“H Share Class Meeting”	the class meeting of H Shareholders
“HK\$” or “Hong Kong dollars” “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	April 29, 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Mengjin Mining”	Xianghuangqi Mengjin Gold Mining Development Co., Ltd. (鑲黃旗蒙金礦業開發有限公司)
“New A Shares”	the new A Shares to be allotted and issued under the Bonus Issue

DEFINITIONS

“New H Shares”	the new H Shares to be allotted and issued under the Bonus Issue
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, Macao Special Administrative Region and Taiwan
“Profit Distribution Proposal for 2021”	to distribute Cash Dividends
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	Securities Law of the People’s Republic of China, as amended from time to time
“Share(s)”	A Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of Share(s) of the Company
“Shenzhen Listing Rules”	the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (深圳證券交易所股票上市規則), as amended from time to time
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“SZSE”	The Shenzhen Stock Exchange
“%”	per cent

EXPECTED TIMETABLE

The expected timetable for the Bonus Issue and Profit Distribution Proposal for 2021 is set forth below:

With respect to the Profit Distribution Proposal for 2021 and the Bonus Issue:

Event	2022 (Hong Kong time)
Latest time for lodging transfer of Shares for entitlement to attend and vote at the AGM and the H Shares Class Meeting	Monday, June 6 (4:30 p.m.)
Closure of the register of members of the Company for determining the identity of the Shareholders who are entitled to attend and vote at the AGM and the H Shares Class Meeting	Tuesday, June 7 to Friday, June 10
Latest time to return forms of proxy for the AGM and the H Shares Class Meeting	Thursday, June 9 (2:00 p.m.)
Date and time of the AGM	Friday, June 10 (2:00 p.m.)
Date of the H Shares Class Meeting	Friday, June 10 (immediately after the conclusion of the A Shares Class Meeting)
Publication of poll results announcement of the AGM	Friday, June 10
Publication of poll results announcement of the H Shares Class Meeting	Friday, June 10

EXPECTED TIMETABLE

The following events are subject to the satisfaction of the conditions of the Bonus Issue as set out in this circular:

Event	2022 (Hong Kong time)
Last day of dealings in H Shares on a cum-entitlement basis relating to the Profit Distribution Proposal for 2021 and Bonus Shares	Monday, June 13
First day of dealings in H Shares on an ex-entitlement basis relating to the Profit Distribution Proposal for 2021 and Bonus Shares	Tuesday, June 14
Latest time for lodging transfers of H Shares for registration in order to qualify for the Profit Distribution Proposal for 2021 and Bonus Shares	Wednesday, June 15 (4:30 p.m.)
Closure of register of members of the Company for transfer of H Shares for determining entitlement to the Profit Distribution Proposal for 2021 and Bonus Shares	Thursday, June 16 to Tuesday, June 21
Record Date to qualify H Shareholders for determination of entitlement to the Profit Distribution Proposal for 2021 and Bonus Shares	Tuesday, June 21
Register of members for transfer of H Shares of the Company re-opens	Wednesday, June 22
Profit Distribution Proposal for 2021 payment date	Thursday, August 4 (<i>Note</i>)
Certificates of the New H Shares to be despatched	Thursday, August 4 (<i>Note</i>)
Dealings in New H Shares commence	Friday, August 5 (9:00 a.m.)

Note: The dates with regard to Profit Distribution Proposal for 2021 and Bonus Issue are for reference only as they are subject to approval by the Shareholders and might be adjusted by the Company. If there is any such change, the Company will make announcement to inform the Shareholders.

All times and dates in this circular are Hong Kong times and dates.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. LI Liangbin
Mr. WANG Xiaoshen
Ms. DENG Zhaonan
Mr. SHEN Haibo

Registered Office:

Longteng Road,
Economic Development Zone
Xinyu City,
Jiangxi Province, PRC

Non-executive Directors:

Mr. YU Jianguo
Ms. YANG Juan

Principal Place of Business in Hong Kong:

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai
Hong Kong

Independent non-executive Directors:

Ms. XU Yixin
Ms. WONG Sze Wing
Mr. XU Guanghua

May 6, 2022

LETTER FROM THE BOARD

To the Shareholders

Dear Sir or Madam,

- (1) **ENGAGEMENT OF DOMESTIC AND OVERSEAS AUDITORS AND THE INTERNAL CONTROL AUDITORS FOR 2022**
- (2) **THE REMUNERATION OF DOMESTIC AND OVERSEAS AUDITORS AND THE INTERNAL CONTROL AUDITORS FOR 2022**
- (3) **DETERMINATION OF DIRECTORS' EMOLUMENTS**
- (4) **DETERMINATION OF SUPERVISORS' EMOLUMENTS**
- (5) **PROFIT DISTRIBUTION PROPOSAL FOR 2021**
- AND ISSUANCE OF BONUS SHARES BY WAY OF CONVERSION OF CAPITAL RESERVE**
- (6) **CONTINUING RELATED-PARTY TRANSACTIONS FOR 2022**
- (7) **GRANT OF GENERAL MANDATE TO THE BOARD**
- (8) **GENERAL MANDATE TO ISSUE DOMESTIC AND OVERSEAS DEBT FINANCING INSTRUMENTS**
- (9) **ENGAGEMENT IN FOREIGN EXCHANGE HEDGING BUSINESS BY THE COMPANY AND ITS SUBSIDIARIES**
- (10) **PROVISION OF GUARANTEES TO MENGJIN MINING AND RELATED-PARTY TRANSACTION**
- (11) **INDUSTRIAL INVESTMENT WITH SELF-OWNED FUNDS**
- (12) **SHAREHOLDERS' RETURN PLAN FOR THREE YEARS OF 2022 TO 2024**
- (13) **NOTICE OF THE 2021 AGM**
- AND**
- (14) **NOTICE OF THE H SHARE CLASS MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with the notice of AGM and the H Share Class Meeting, and information on the resolutions to be considered at the AGM and the Class Meetings to enable you to make informed decisions on whether to vote for or against such resolutions at the AGM and the Class Meetings.

2. BUSINESS TO BE CONSIDERED AT THE AGM AND CLASS MEETINGS

Ordinary resolutions to be proposed at the AGM for the consideration and approval of the Shareholders include: (a) engagement of domestic and overseas auditors and the internal control auditors for 2022; (b) the remuneration of domestic and overseas auditors and the internal control auditors for 2022; (c) determination of directors' emoluments; and (d) determination of supervisors' emoluments.

LETTER FROM THE BOARD

Special resolutions to be proposed at the AGM for the consideration and approval of the Shareholders include: (a) Profit Distribution Proposal for 2021 and issuance of bonus shares by way of conversion of capital reserve; (b) grant of general mandate to the Board; (c) grant of general mandate to issue domestic and overseas debt financing instruments, (d) engagement in foreign exchange hedging business by the Company and its subsidiaries, (e) continuing related-party transactions for 2022; (f) provision of guarantees to Mengjin Mining and related-party transaction; (g) industrial investment with self-owned funds; and (h) Shareholders' return plan for three years of 2022 to 2024. The special resolution to be proposed at the Class Meetings for the Shareholders to consider and approve is "Profit Distribution Proposal for 2021 and issuance of bonus shares by way of conversion of capital reserve".

Business to be considered at the AGM and the Class Meetings are elaborated on pages 5 to 35 of this circular. In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and the Class Meetings and to make informed decisions thereon, the Company has provided detailed information in relation to business to be considered at the 2021 AGM and the Class Meetings (Appendix I).

3. THE AGM AND THE CLASS MEETINGS

Notices of the AGM and the H Share Class Meeting are set out on pages 36 to 41 of this circular.

Pursuant to the Hong Kong Listing Rules and the Articles of Association, any vote of the Shareholders at a general meeting shall be taken by poll except where the chairman of such meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be made by the Company after the AGM and the H Share Class Meeting in the manner prescribed under the Hong Kong Listing Rules.

To the best knowledge of the Directors after making all reasonable enquiries, Mr. Li Liangbin, Mr. Wang Xiaoshen, Ms. Ouyang Ming, Ms. Yang Manying and Mr. Xu Jianhua are required to abstain from voting in respect of the resolution that would be proposed to approve the continuing related-party transaction for 2022. Mr. Li Liangbin and his associates are required to abstain from voting in respect of the resolution that would be proposed to approve the provision of guarantees to Mengjin Mining and related-party transaction.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby he/she has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his/her Shares to a third party, either generally or on a case-by-case basis. Accordingly, to the best knowledge, information and belief of the Directors, there exists no discrepancy between any Shareholder's beneficial shareholding interest in the Company and the number of Shares in respect of which such Shareholder will control or will be entitled to exercise control over the voting right at the AGM and the Class Meetings.

LETTER FROM THE BOARD

A form of proxy for use at the AGM and the H Share Class Meeting are enclosed with this circular. Whether or not you are able to attend the AGM and the H Share Class Meeting in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of H Shares of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the AGM and the H Share Class Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM and the H Share Class Meeting or any adjournment thereof should you so desire.

4. RECOMMENDATION

The Board (including independent non-executive Directors) considers that the resolutions set out in this circular are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders eligible to vote at the AGM and the Class Meetings to attend and vote in favour of the resolutions.

5. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

6. GENERAL

You are advised to pay attention to other information as set out in the appendix.

Yours faithfully
By Order of the Board
GANFENG LITHIUM CO., LTD.
LI Liangbin
Chairman

A. TO CONSIDER AND APPROVE THE RESOLUTION IN RELATION TO THE ENGAGEMENT OF DOMESTIC AND OVERSEAS AUDITORS AND THE INTERNAL CONTROL AUDITORS FOR 2022

The audit committee of the Company has reviewed the practices, integrity and other relevant information of Ernst & Young Hua Ming LLP (“**Ernst & Young Hua Ming**”) and Ernst & Young (“**Ernst & Young**”), and is of the view that each of Ernst & Young Hua Ming and Ernst & Young has met the qualifications prescribed under the Articles of Association. As such, the Company proposes to engage Ernst & Young Hua Ming as the domestic auditor (to assist the Company in preparing the 2022 financial report in accordance with the PRC Accounting Standards for Business Enterprises) as well as the internal control auditor; and to appoint Ernst & Young as the overseas auditor (to assist the Company in preparing the 2022 financial report in accordance with the International Financial Reporting Standards). Ernst & Young Hua Ming and Ernst & Young are in possession of the required practice qualifications and are able to fulfill the audit requirements for the year of 2022 of the Company.

The aforesaid resolution was considered and approved at the 39th meeting of the fifth session of the Board, and is hereby proposed at the AGM for the Shareholders’ consideration and approval.

B. THE REMUNERATION OF DOMESTIC AND OVERSEAS AUDITORS AND THE INTERNAL CONTROL AUDITORS FOR 2022

Reference is made to the Article 217 of the Articles of Association approved by the extraordinary general meeting of the Company on April 22, 2022.

The Company proposes to engage Ernst & Young Hua Ming as the domestic auditor (to assist the Company in preparing the 2022 financial report in accordance with the PRC Accounting Standards for Business Enterprises) as well as the internal control auditor; and to appoint Ernst & Young as the overseas auditor (to assist the Company in preparing the 2022 financial report in accordance with the International Financial Reporting Standards). Ernst & Young Hua Ming and Ernst & Young are in possession of the required practice qualifications and are able to fulfill the audit requirements for the year 2022 of the Company. Considering the prevailing industrial standards, the estimated audit work of the Company for 2022 and the remuneration of domestic and overseas auditors and the internal control auditors for 2021, the estimated annual cap of the remuneration of Ernst & Young Hua Ming and Ernst & Young for 2022 are as follows:

Item	Amount for 2021	Estimated annual cap for 2022
Domestic auditor (annual audit)	RMB2,400,000	RMB2,800,000
International auditor (annual audit)	RMB2,400,000	RMB2,800,000
Services other than audit	RMB380,000	RMB500,000

The aforesaid resolution was considered and approved at the 41th meeting of the fifth session of the Board, and is hereby proposed at the AGM for the Shareholders' consideration and approval.

C. TO CONSIDER AND APPROVE THE RESOLUTION IN RELATION TO THE DETERMINATION OF THE DIRECTORS' EMOLUMENTS

In 2021, for Directors (other than the independent Directors and external Directors) who received emoluments from the Company, their emoluments shall be determined based on the Company's overall development plan and actual operating performance in 2021 and in accordance with the requirements under the Measurement on Remuneration and Assessment of the Senior Management (《高級管理人員薪酬考核辦法》).

The Measurement on Remuneration and Assessment of the Senior Management prescribes that: the remuneration of the senior management shall consist of basic salary and performance bonus. The remuneration shall be based on their respective position as well as the underlying responsibilities, risks and working achievements, whereas the performance bonus shall be determined based on the operating results of the Company, their individual post performance and other appraisal results.

After taking into account the actualities of the Company as well as the working hours and performance of the Directors, the Directors' emoluments for the year of 2021 are as follows:

Name	Position	Emoluments received
		from the Company in 2021 <i>(RMB0'000, before tax)</i>
LI Liangbin	Chairman and executive Director	93.35
WANG Xiaoshen	Vice chairman and executive Director	95.81
DENG Zhaonan	Executive Director	63.30
SHEN Haibo	Executive Director	77.22
YU Jianguo	Non-executive Director	8.00
YANG Juan	Non-executive Director	8.00
LIU Jun	Independent non-executive Director	8.00
WONG Sze Wing	Independent non-executive Director	16.61
XU Yixin	Independent non-executive Director	8.00
XU Guanghua	Independent non-executive Director	8.00

The aforesaid resolution was considered and approved at the 39th meeting of the fifth session of the Board, and is hereby proposed at the AGM for the Shareholders' consideration and approval.

D. TO CONSIDER AND APPROVE THE RESOLUTION IN RELATION TO THE DETERMINATION OF THE SUPERVISORS' EMOLUMENTS

In 2021, for Supervisors who received emoluments from the Company, the Company determined their emoluments for 2021 based on the Company's overall development plan, the actual operating results (audited) and the remuneration systems of the Company.

After taking into account the actualities of the Company as well as the working hours and performance of the Supervisors, the Supervisors' emoluments for the year of 2021 are as follows:

Name	Position	Emoluments received
		from the Company in 2021 <i>(RMB0'000, before tax)</i>
HUANG Hua'an	Supervisor	17.59
ZOU Jian	Supervisor	8.00
GUO Huaping	Supervisor	8.00

The aforesaid resolution was considered and approved at the 28th meeting of the fifth session of the Board, and is hereby proposed at the AGM for the Shareholders' consideration and approval.

E. TO CONSIDER AND APPROVE THE PROFIT DISTRIBUTION PROPOSAL FOR 2021 AND ISSUANCE OF BONUS SHARES BY WAY OF CONVERSION OF CAPITAL RESERVE

As audited by Ernst & Young, in 2021, the Company recorded net profit of RMB1,803,000,000. After taking into account the undistributed profit at the beginning of the year of RMB2,214,000,000, and deducting the profit of RMB417,000,000 distributed for the year 2020 and the surplus reserves of RMB18,000,000 withdrawn, profit available for distribution amounted to RMB3,420,000,000, capital reserve amounted to RMB11,697,000,000.

In comprehensive consideration of the industrial features, stage of development, the Company's operation mode and profitability, the Board puts forth the following profit distribution proposal in accordance with the Articles of Association and the Shareholder Return Plan for the Upcoming Three Years (2019 to 2021)《未來三年(2019-2021年)股東回報計劃》: to distribute cash dividend of RMB3.0 (tax inclusive) for every ten (10) Shares to all Shareholders with the undistributed profit based on the total share capital as at the record date at the time of distribution of annual profit; and to issue four (4) Bonus Shares for every ten (10) Shares to all Shareholders by way of conversion of capital reserve. The remaining undistributed profits are carried forward for the subsequent annual distribution.

On the basis of 1,437,478,880 total issued Shares, comprising of 288,267,200 H Shares and 1,149,211,680 A Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or repurchased before the record date, it is anticipated that 574,991,552 Shares, comprising of 115,306,880 New H Shares and 459,684,672 New A Shares will be issued under the Bonus Issue. The New H Shares will be issued on a pro-rata basis and any fractional Shares (if any) will be rounded down to the nearest whole unit. No fractional Shares will be issued and distributed pursuant to the Bonus Issue, but will be aggregated and sold for the benefit of the Company.

The Board also proposed that, a cash dividend of RMB3 (tax inclusive) per ten (10) Shares will be distributed to ordinary Shareholders. The cash dividend will also be paid on a pro-rata basis to Shareholders who hold ordinary Shares in odd lot (i.e., RMB0.3 per ordinary Shares). The aforesaid Cash Dividends proposed to be distributed are all denominated in RMB. Dividends for the A Shareholders and the H Shareholders through the Southbound Trading Link (the “**Southbound Shareholders**”) will be paid in RMB, and dividends for the H Shareholders other than the Southbound Shareholders will be paid in Hong Kong dollars. For Cash Dividends to be paid in Hong Kong dollars, the exchange rate shall be the average of the mid-point rates of RMB against Hong Kong dollars published by the People's Bank of China for the week prior to the date of approval of declaration of dividends by the AGM. The arrangements concerning the record date for entitlement to the Shareholders' rights for Southbound Shareholders are the same as those for the holders of H Shares. The remaining undistributed profit and capital reserves will be carried forward to the next year.

For the purpose of determining the entitlement of H Shareholders to the Cash Dividends, the H Share register of members of the Company will be closed from Thursday, June 16, 2022 to Tuesday, June 21, 2022 (both days inclusive), during which period no transfer of H Shares will be registered. H Shareholders whose names appear on the H Share register of members of the Company on Tuesday, June 21, 2022 are entitled to the Cash Dividends. In order to be entitled to receive the Cash Dividends, all instruments of transfers in respect of H Shares must be lodged for registration with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, June 15, 2022.

The Bonus Issue is subject to the following conditions:

- (1) Approval of the Shareholders at the AGM and at the Class Meetings to be held on June 10, 2022;
- (2) The Hong Kong Stock Exchange granting the listing of, and permission to deal in, the New H Shares; and
- (3) Compliance with the relevant legal procedures and requirements under the Company Law of the PRC to effect the Bonus Issue and approval of the Bonus Issue by the relevant authorities in the PRC (if so required).

As of the Latest Practicable Date, the Group is not aware of any arrangement under which a Shareholder has waived or agreed to waive any dividends.

Status of Bonus Shares

The Bonus Shares will, subject to the Articles of Association, rank pari passu in all respects with the Shares in issue on the date of the Bonus Issue. Holders of Bonus Shares will be entitled to receive all future dividends and distributions (if any) which are declared, made or paid after the date on which the Bonus Shares are allotted and issued. The Bonus Issue should not result in any change to the rights of the Shares.

Overseas H Shareholders

Upon the 2021 profit distribution plan becoming unconditional, the Company will consider if there are any overseas H Shareholders located in other jurisdictions, and if there are such overseas H Shareholders, then the Company will consider and make enquiry, if necessary, regarding the legal restrictions (if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies for the relevant overseas H Shareholders to be eligible to take part in the capitalization of reserve and profit distribution pursuant to the Hong Kong Listing Rules.

Upon such consideration and enquiry, if the Board is of the view that the exclusion of the overseas Shareholders is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Bonus Shares will not be issued to those overseas Shareholders, i.e., the non-qualifying Shareholders. In such circumstances, arrangements will be made for the Bonus Shares, which would otherwise have been issued to the non-qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any net proceeds of sale, after deduction of the related expenses, will be distributed in Hong Kong dollar to the non-qualifying Shareholders, if any, pro-rata to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

As at the Latest Practicable Date, according to the latest register of members available to the Company, there are H Shareholders as recorded on the register of members of the Company who have an address outside of Hong Kong.

Taxation

According to the Enterprise Income Tax Law of the PRC 《(中華人民共和國企業所得稅法)》 and its implementation regulations (the “EIT Law”), the tax rate of the enterprise income tax applicable to the income of a non-resident enterprise deriving from the PRC is 10%. For this purpose, any H shares registered under the name of non-individual enterprise, including the H shares registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organizations or entities, shall be deemed as shares held by non-resident enterprise shareholders (as defined under the EIT Law). The Company will distribute the dividend to those non-resident enterprise Shareholders subject to a deduction of 10% enterprise income tax withheld and paid by the Company on their behalf.

Any resident enterprise (as defined under the EIT Law) which has been legally incorporated in the PRC or which was established pursuant to the laws of foreign countries (regions) but has established effective administrative entities in the PRC, and whose name appears on the Company's H share register should deliver a legal opinion ascertaining its status as a resident enterprise furnished by a qualified PRC lawyer (with the official chop of the law firm issuing the opinion affixed thereon) and relevant documents to Company's H share registrar, Computershare Hong Kong Investor Services Limited, in due course, if they do not wish to have the 10% enterprise income tax withheld and paid on their behalf by the Company.

Pursuant to the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guoshuifa (1993) No. 045 Document (《關於國稅發(1993) 045號文件廢止後有關個人所得稅徵管問題的通知》) (the "Notice") issued by the State Administration of Taxation on June 28, 2011, the dividend to be distributed by the PRC non-foreign invested enterprise which has issued shares in Hong Kong to the overseas resident individual shareholders, is subject to the individual income tax with a tax rate of 10% in general. However, the tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between the countries of their residence and Mainland China. Thus, 10% individual income tax will be withheld from the dividend payable to any individual shareholders of H Shares whose names appear on the H share register of members of the Company on the record date, unless otherwise stated in the relevant taxation regulations, tax treaties or the Notice.

The Company will not be liable for any claim arising from any delay in, or inaccurate determination of the status of the shareholders or any disputes over the mechanism of withholding.

Profit distribution to investors of Northbound Trading

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares listed on the SZSE (the "Northbound Trading"), their dividends will be distributed in RMB by the Company through the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such Shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Northbound Trading will be the same as those for the holders of A shares of the Company.

Profit distribution to investors of Southbound Trading

For investors of the Shanghai Stock Exchange and SZSE (including enterprises and individuals) investing in the H shares of the Company listed on the Hong Kong Stock Exchange (the “**Southbound Trading**”), the cash dividends for the investors of H Shares of Southbound Trading will be paid in RMB. The record date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the holders of H shares of the Company. As for the relevant taxation policies, pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2014]81號)》) and the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知財稅[2016]127號)》), for dividends received by domestic individual investors from investing in the H shares of the Company listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the Company shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in the H shares of the Company listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The Company will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Shareholders are suggested to consult their tax consultants regarding the tax impacts in China, Hong Kong and other countries (regions) for holding and selling the Company’s shares.

Application for Listing

Application will be made by the Company to the Listing Committee of the Hong Kong Stock Exchange for the approval for the listing of, and permission to deal in, the New H Shares. The New A Shares will be listed on the SZSE. Subject to the satisfaction of the conditions as set out in this circular (including but not limited to the granting of the aforesaid listing approval by the Hong Kong Stock Exchange), the New H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS. All necessary arrangements will be made by the Company for the New H Shares to be admitted into CCASS. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Subject to the Bonus Issue becoming unconditional, the certificates for the New H Shares and the cheques for the Profit Distribution Proposal for 2021 will be despatched by ordinary post to the H Shareholders who are entitled to the Bonus Issue and the Profit Distribution Proposal for 2021 at their own risk. In case of joint shareholding, the certificates for the New H Shares and the cheques for the Profit Distribution Proposal for 2021 will be posted to the first named person on the H Shareholders' register in respect of such joint shareholding. For the date of despatch of the certificates for the New H Shares and the cheques for the Profit Distribution Proposal for 2021 and the date of the commencement of dealings in the New H Shares, please refer to the section headed "Expected Timetable" of this circular.

All Bonus Shares are non-renounceable. Trading of the New H Shares is subject to Hong Kong stamp duty.

Warning of Risks of Dealing in the H Shares

H Shareholders should note that the existing H Shares are expected to be dealt in on an ex-entitlement basis for entitlement to the New H Shares and the Profit Distribution Proposal for 2021 from Tuesday, June 14, 2022. If the conditions of the Bonus Issue and Profit Distribution Proposal for 2021 (as set out above under the section headed "Profit Distribution Proposal for 2021 and Issuance of Bonus Shares by Way of Conversion of Capital Reserve") are not fulfilled, the Bonus Issue and Profit Distribution Proposal for 2021 will not proceed. If in doubt, investors are recommended to consult their professional advisers.

Explanation of Bonus Issue and Profit Distribution Proposal for 2021

Based on the positive expectations on the future development of the Company, and with reference to the operating and the overall financial status of the Company, the Board proposed the capitalization of reserve and the profit distribution so as to share the fruitful result of the Company's business performance with the Shareholders.

In addition, to encourage the Shareholders to continue to support the Company's future development, the Board believes that the capitalization of reserve will allow the Shareholders to enjoy a pro-rata increase in the number of Shares held by them in the Company without incurring any significant costs to them. Although the capitalization of reserve is not expected to increase the Shareholders' proportionate equity interests in the Company, the capitalization of reserve will increase the number of Shares to be held by the Shareholders, which will afford the Shareholders with more flexibility in managing their own investment portfolios such as giving them more convenience in disposing of a portion of the Shares for cash return. The capitalization of reserve will also result in the increase of number of Shares in issue, and the number of Shares held by H Shareholders, which will motivate the trading of Shares by the H Shareholders, and thus will enhance the trading activities and liquidity of the Shares in the market.

The aforesaid resolution was considered and approved at the 39th meeting of the fifth session of the Board, and is hereby proposed at the AGM for the Shareholders' consideration and approval. Upon approval, the Cash Dividends are expected to be paid within two months after the date of the AGM, and tentatively on August 4, 2022.

F. TO CONSIDER AND APPROVE THE RESOLUTION IN RELATION TO THE ESTIMATED CONTINUING RELATED-PARTY TRANSACTIONS FOR 2022

As (i) Mr. Li Liangbin and Mr. Wang Xiaoshen, both being Directors, also hold directorships in the Australia-based Reed Industrial Minerals Pty Ltd. (“RIM”), a stock-sharing subsidiary, (ii) Ms. Ouyang Ming, a vice president of the Company, holds directorship in Dalian Yike Energy Technology Co., Ltd. (大連伊科新能源科技有限公司) (“Dalian Yike”), Zhejiang Shaxing Technology Co., Ltd. (浙江沙星科技有限公司) (“Zhejiang Shaxing”) and Ganzhou Tengyuan Cobalt New Material Co., Ltd. (贛州騰遠鈷業新材料股份有限公司) (“Tengyuan Cobalt”), (iii) Mr. Li Chenglin who is a related person of Mr. Li Liangbin, and Ms. Yang Manying, a member of senior management of the Company, hold directorship in Jiangxi Zhili Technology Co., Ltd. (江西智鋰科技股份有限公司) (“Zhili Technology”), and (iv) Mr. Xu Jianhua, a vice president of the Company, holds directorship in Jiangxi Fengyuan Thermal Energy Co., Ltd. (江西鋒源熱能有限公司) (“Jiangxi Fengyuan”), RIM, Dalian Yike, Zhejiang Shaxing, Tengyuan Cobalt, Zhili Technology and Jiangxi Fengyuan are related legal persons of the Company. However, according to Chapter 14A of the Hong Kong Listing Rules, none of RIM, Dalian Yike, Zhejiang Shaxing, Zhili Technology and Jiangxi Fengyuan is a connected person of the Company. As such, transactions

between the Company and RIM, Dalian Yike, Zhejiang Shaxing, Tengyuan Cobalt Zhili Technology and Jiangxi Fengyuan do not constitute connected transactions under Chapter 14A of the Hong Kong Listing Rules. Considering the exclusive sales agreement and supplemental exclusive sales agreement entered into between the Company and RIM, and the business conducted between the Company and Dalian Yike, Zhejiang Shaxing, Tengyuan Cobalt, Zhili Technology and Jiangxi Fengyuan the estimated continuing related-party transactions of the Company for 2022 are as follows:

Type of related-party contracts	Subdivision by products or raw materials	Related party	Contracted amount or estimated amount	Amount incurred as at the Latest Practicable Date (RMB0'000)	Amount incurred in last year (RMB0'000)
Purchase of raw materials	Spodumene	RIM	Not more than USD2,500 million	33,864.63	217,111.34
Purchase of raw materials	Battery separator	Dalian Yike	Not more than RMB10 million	0	0.14
Purchase of raw materials	Cobaltous sulfate	Tengyuan Cobalt	Not more than RMB200 million	2,073.57	1,335.04
Purchase of raw materials	Lithium iron phosphate	Zhili Technology	Not more than RMB800 million	2,085.93	6,536.96
Purchase of raw materials	Lithium chloride solution	Zhejiang Shaxing	Not more than RMB30 million	7.00	1,209.88
Purchase of raw materials	Steam	Jiangxi Fengyuan	Not more than RMB500 million	0	0
Sales of products	Battery-grade lithium carbonate	Zhili Technology	Not more than RMB700 million	4,613.32	5,024.82
Sales of products	Lithium metal	Zhejiang Shaxing	Not more than RMB200 million	109.24	2,232.58

Pricing policy and basis of the related-party transactions:

For purchase of raw materials from RIM, Dalian Yike, Zhejiang Shaxing, Tengyuan Cobalt, Zhili Technology and Jiangxi Fengyuan, and sales of products to Zhili Technology and Zhejiang Shaxing made by the Company and subsidiaries under the coverage of the Company's consolidated statements, the transaction amount shall be determined based on the fair market price and conditions in accordance with the principle of openness, fairness and equality; and the pricing policy and basis of such transaction shall be determined with reference to the market prices upon negotiation. The Company will, based on the actual conditions of the daily production and operation of the Company, enter into relevant contracts with the related parties and implement the transactions concerned. The total transaction amount is expected to be RMB18,365,000,000.

Purpose of the related-party transactions and impact on the Company:

The purchase of raw materials from RIM, Dalian Yike, Zhejiang Shaxing, Tengyuan Cobalt, Zhili Technology and Jiangxi Fengyuan and sales of products to Zhili Technology and Zhejiang Shaxing made by the Company and subsidiaries under the coverage of the Company's consolidated statements all fall within the ordinary business activities of the Company and are conducted following the general market operation rules. Each of the Company and the aforesaid related parties is an independent legal person and is independent with one another in respect of assets, finance and personnel. The transaction prices are determined based on the fair market price in a fair and reasonable manner, which is beneficial for each party to fully exert their respective industrial edges, and conducive to the reduction of production and operation costs and the improvement of the economic benefits and comprehensive competitiveness of the Company, will do no harm to the interests of the Company and its Shareholders, nor will prejudice the independence of the Company or result in reliance upon such related parties.

The aforesaid resolution was considered and approved at the 39th meeting of the fifth session of the Board. The related Directors, Mr. Li Liangbin and Mr. Wang Xiaoshen, abstained from voting and did not act on behalf of other Directors, and the remaining eight non-related Directors (including Mr. Liu Jun who retired as an independent non-executive Director on March 31, 2022) with voting rights reviewed and unanimously passed the resolution. The resolution is hereby proposed at the AGM for the Shareholders' consideration and approval.

G. TO CONSIDER AND APPROVE THE PROPOSAL IN RESPECT OF SEEKING AUTHORIZATION FROM SHAREHOLDERS' MEETING OF THE COMPANY OF THE GRANT OF A GENERAL MANDATE TO THE BOARD FOR ISSUE OF A SHARES OR H SHARES

1. To grant a general and unconditional mandate to the Board and then to delegate to the chairman of the Board and his authorized person(s) by the Board to determine separately or jointly allot, issue and grant A Shares and/or H Shares, convertible securities, options, warrants, or similar rights of subscribing A Shares or H Shares (the "**Similar Rights**") of the Company and the terms and conditions for the allotment, issuance and granting of new Shares, including but not limited to:
 - (i) class and number of new shares to be issued;
 - (ii) price determination method of new shares and/or issue price (including price range);
 - (iii) the starting and closing dates for the issue;

- (iv) class and number of the new shares to be issued to the existing shareholders; and/or
 - (v) the making or granting of offers, agreements, options, debt-for-equity right and other relevant rights which might require the exercise of such powers.
2. The numbers of A Shares or H Shares (excluding shares issued in form of capital conversion from capital reserve) to be separately or jointly allotted, issued and granted (whether pursuant to an option or otherwise) by the Board or the chairman of the Board and his authorized person(s) pursuant to the general mandate, shall not exceed 20% of the A Shares or H Shares in issue at the time when this resolution is passed at the AGM, respectively.
 3. If the Board or the chairman of the Board and his authorized person(s) have resolved to allot, issue and grant A Shares or/and H Shares or Similar Rights within the Relevant Period as defined below, and the Company has also obtained the relevant approval, permission or registration (if applicable) from the competent regulatory authorities within the validity term of the general mandate, the Board or the chairman of the Board and his authorized person(s) may complete the relevant allotment, issuance and granting works within the validity term of such approval, permission or registration.
 4. To grant the Board or the chairman of the Board and his authorized person(s) to obtain approvals from the relevant government authorities and/or regulatory authorities (if applicable) in accordance with applicable laws (including but not limited to the Company Law of the PRC, the Hong Kong Listing Rules and Shenzhen Listing Rules) for the exercising of the general mandate.
 5. The general mandate will become effective from the date of passing of this resolution at the AGM until the earlier of (the “**Relevant Period**”):
 - (i) the expiration of 12 months from the date of passing of this resolution at the AGM;
 - (ii) the conclusion of 2022 annual general meeting; or
 - (iii) the revocation or amendment of the general mandate granted under this resolution by the approval of special resolution at a general meeting by the Shareholders.
 6. To grant the Board or the chairman of the Board and his authorized person(s) to approve, execute and make or procure to execute and make any documents, deeds and matters, complete necessary formalities, adopt other necessary actions in connection with the allotment, issuance and granting of any new Shares in accordance with the general mandate as considered fit.

7. To grant the Board or the chairman of the Board and his authorized person(s) to increase the registered capital of the Company and to make appropriate and necessary amendments to the Articles of Association after completion of the allotment and issuance of new shares according to the method, type and number of the allotment and issuance of new shares by the Company, and the then shareholding structure of the Company.

The aforesaid resolution was considered and approved at the 39th meeting of the fifth session of the Board, and is hereby proposed at the AGM for the Shareholders' consideration and approval.

H. TO CONSIDER AND APPROVE THE PROPOSAL IN RESPECT OF THE GENERAL MANDATE FOR ISSUE OF DEBT FINANCING INSTRUMENTS DOMESTICALLY OR ABROAD

As stated in the overseas regulatory announcement of the Company dated March 30, 2022, the Company convened the 39th meeting of the fifth session of the Board on March 30, 2022, and considered and approved the proposal in relation to the general mandate for issue of debt financing instruments domestically or abroad, details of which are as follows:

To satisfy the production and operation needs of the Company as well as the infrastructure and operation needs of domestic or overseas projects, replenish working capital, reduce capital cost and make use of favorable opportunities in a timely manner, it is proposed to the AGM to grant a general and unconditional mandate to the Board and then delegate to the chairman of the Board and his authorised person(s) to determine the following specific issue matters within the scope of available debt financing instruments in accordance with relevant laws and regulation, Articles of Association and the actual conditions:

(I) Major Terms of the Issue of Debt Financing Instruments

1. Type of the debt financing instruments: The relevant debt financing instruments include but not limited to short-term financing bonds, super-short term financing bonds, medium term notes, non-public targeted debt financing instruments, corporate bonds, company bonds, A share or H share convertible bonds, offshore RMB bonds and foreign currency bonds, perpetual bonds and other domestic and abroad debt financing instruments denominated in RMB or foreign currency permitted by competent regulatory authority.

2. Size of issue: The issue size of the domestic and offshore debt financing instruments of this mandate shall not be more than RMB10 billion or equivalent amount in foreign currency (calculated based on the outstanding payable balance after the issue, while for the issue denominated in a foreign currency, calculated based on median discount price published by the People's Bank of China on the date of such issue), which can be issued either one-off or in tranches within the definite validity period.
3. Currency of issue: The currency of issue shall be determined based on the review and approval results of debt financing instruments and the domestic and overseas market conditions of debt financing instruments at the time of the issue, which may be RMB or foreign currency debt financing instruments.
4. Term and interest rate: The maximum term shall be no more than 15 years, which is applicable to a single-term type or a combination of types with multiple terms; Domestic debt financing instruments without a fixed term are not subject to the aforementioned term limit. The specific composition of terms, size of issue and interest rate of each type with different terms shall be determined based on the relevant requirements and the market conditions by the Board or the chairman of the Board and his authorised persons.
5. Issuer: The issuer shall be the Company or a domestic or offshore wholly-owned subsidiary or a special purpose vehicle of the Company, and in the case of a domestic or offshore wholly-owned subsidiary or a special purpose company of the Company as the issuer of the debt financing instruments, the Company can provide guarantees (including the guarantee provided by the issuer of the debt financing instrument itself and/or such guarantee provided by the Company) to such subsidiaries or special purpose company within the issue size of its debt financing instruments, issue a keepwell agreement or adopt third party credit enhancement conventional methods.
6. Issue price: the specific issue price shall be determined by the Board or the chairman of the Board and his authorized persons according to relevant regulations and market conditions.
7. Use of proceeds: after deducting the issue expenses, the proceeds to be raised from the proposed issue of the debt financing instruments are intended to be used towards meeting the demand of the Company's daily operations, repaying loans, replenishing its working capital and/or other investment acquisition purposes, and the specific use of proceeds shall be determined by the Board or the chairman of the Board and his authorised persons according to the capital needs of the Company from time to time.

8. Method of issue: method of issue shall be determined based on the review and results of issue approval of debt financing instruments and the domestic and overseas bond market conditions at the time of the issue of debt financing instruments.
9. If A Share or H Share convertible bonds are to be issued, and upon the request of share conversion applied by holders of convertible bonds, the new A Shares or H Shares generated thereof may be issued under the relevant general mandate considered and approved at the AGM.
10. The debt financing instruments to be issued are proposed to be listed on the Inter-bank Bond Market, the SZSE, the Hong Kong Stock Exchange or other domestic or foreign exchanges.

(II) Matters in Relation to the Mandate of Issue of Debt Financing Instruments

1. It is proposed to the AGM to grant a general and unconditional mandate to the Board and then delegate to the chairman of the Board and his authorised person(s) to decide and deal with all matters relating to the issue of the debt financing instruments at full discretion pursuant to the requirements of relevant laws and regulations and in accordance with the demands of the Company from time to time and the market conditions, including but not limited to:
 - (a) determining and implementing the specific terms and proposal of the issue of debt financing instruments, including but not limited to the establishment and determination of the appropriate issuer, the type of the debt financing instruments to be issued, the method of issue, the currency of issue, the nominal value of the debt financing instruments, the price of issue, the size of issue, the interest rate of issue or its determination mechanism, the markets for issue, the timing of issue, the term of issue, issue in instalments and number of tranches (if applicable), sale back clause and redemption clause (if applicable), the right to set and increase nominal interest rate, rating, guarantees (if applicable), repayment period, conversion price, use of proceeds, placing, underwriting and all matters in respect of the issue of debt financing instruments.

- (b) carrying out all necessary and ancillary actions and procedures in relation to the issue of debt financing instruments, including but not limited to, select and engage intermediary institutions, handle all approval, registration and filing procedures with the relevant regulatory authorities in connection with the issue on behalf of the Company, sign, revise and execute all necessary documents for the issue, select trustee(s) for the issue of debt financing instruments, formulate rules for meetings of the holders of the debt financing instruments, deal with any related disclosure in accordance with the applicable laws and regulations and requirements from regulatory authorities, and deal with any other matters in connection with the bond issue and trading.
 - (c) subject to the authorization at the AGM, if there are changes in the regulatory policies or market conditions, correspondingly revising the specific proposals and terms of the proposal for the issue of debt financing instruments in due course in accordance with the view of regulatory authorities or in the event that there are changes in the then market conditions, or determining whether to continue relevant issues based on actual situations, except for matters that require approval at the general meeting of the Company in respect of relevant laws, regulations and the Articles of Association.
 - (d) deciding and dealing with all relevant matters in connection with the proposed listing of debt financing instruments to be issued on the Inter-bank Bond Market, the SZSE, the Hong Kong Stock Exchange or other domestic or foreign exchanges according to the market conditions.
 - (e) to handle any other specific matters relating to the issuance of debt financing instruments and to sign all relevant or required documents.
2. To further authorise to the Board and then to delegate to the chairman of the Board and his authorised person(s) to execute all matters in connection with the issue of debt financing instruments based on the Company's needs and other market conditions upon approval and authorization in respect of the above matters at the AGM.
 3. To authorise the chairman of the Board and his authorised person(s) to approve, execute and dispatch relevant documents, announcements and circulars and make information disclosure in accordance with the applicable rules and regulations of the relevant jurisdictions where the securities of the Company are listed.

(III) Term of the Issue of Debt Financing Instrument

The mandate of the issue of the debt financing instruments shall be effective from the date of approval at the AGM to the date of convening the 2022 annual general meeting.

If the Board or the chairman of the Board and his authorised person(s) have resolved to issue the debt financing instruments within the validity term of the mandate and the Company has also obtained the approval, permission or registration (if applicable) for the issuance from the competent regulatory authorities within the validity term of the mandate, the Board or the chairman of the Board and his authorised person(s) may complete the issue of such debt financing instruments within the validity term of such approval, permission or registration.

If the proposal is approved by the AGM, the decision of the Board and the issue of debt financing instruments domestically or abroad shall be made in accordance with the proposal within the validity period of the said mandate to issue debt financing instruments.

The aforesaid resolution was considered and approved at the 39th meeting of the fifth session of the Board, and is hereby proposed at the AGM for the Shareholders' consideration and approval.

I. TO CONSIDER AND APPROVE THE RESOLUTION IN RELATION TO ENGAGEMENT IN FOREIGN EXCHANGE HEDGING BUSINESS BY THE COMPANY AND ITS SUBSIDIARIES

With the growing presence of the Company in the international market, the international business became increasingly robust and promising and, accordingly, foreign currency settlement and overseas financing of the Company increased progressively. In order to avoid the adverse impact of fluctuation in interest rate and exchange rate on the production, operation and cost control of the Company, the Group proposes to carry out foreign exchange hedging business with self-owned funds of not more than RMB10 billion (inclusive) or its foreign currency equivalents, based on the import and export businesses relating to foreign exchange, receipts and disbursements of international projects and fund demand of the Company in 2022, and in accordance with the prudent projection principle. The Board only intends to set a cap for the scale of such foreign exchange hedging business and no concrete transaction is proposed to be made for the moment. When entering into any specific transaction, the Company will comply with relevant requirements including Chapter 14 of the Hong Kong Listing Rules.

The foreign exchange hedging business of the Group only concerns such major currencies as used for settlement in the production and operation of the Company. Such currencies include US dollars, Australian dollars, Hong Kong dollars and Euros. The foreign exchange hedging business of the Company pertains to business quoted in the stock exchanges and mainly includes forward exchange facilities, futures exchange, foreign exchange swap, interest rate swap and the relevant product portfolio.

Considering the Company's asset scale and business needs, the amount of the foreign exchange hedging business proposed to be carried out by the Company shall not exceed RMB10 billion (inclusive) or its foreign currency equivalents, and not exceed 40% of the latest audited total assets of the Company. The chairman of the Board shall be authorized to approve routine foreign exchange hedging business plans and execute contracts in relation thereto.

The business shall be effective and valid for 12 months from the date of consideration and approval at the 2021 AGM.

Risk analysis and control measures relating to the operation of foreign exchange hedging business:

1. The foreign exchange hedging business of the Company and its subsidiaries shall be conducted in accordance with the principle of hedging for the sake of locking in exchange rate and shall involve in no venture and arbitrage transactions. When entering into contracts, the projected amount for foreign exchange receipts and disbursements (including international investment) and debt repayments in the import and export business of the Company shall be heeded strictly.
2. In terms of risks concerning exchange rate fluctuation, the Company will enhance study and analysis of exchange rate, keep abreast of the changes in international markets, and adjust its operation strategy when appropriate to get rid of exchange loss to the utmost. The Company will make proper projections on the exchange rate movements in coordination with its bank partners, keep close track with changes in exchange rate and implement dynamic management base on market changes. It will strictly control the proportion of the amount occupied by foreign exchange hedging over the total business amount and allow for strategic adjustment in response to exchange rate fluctuation.
3. For liquidity risks, the foreign exchange hedging business of the Company is based on the budgetary foreign exchange receipts and disbursements of the Company. As the foreign exchange hedging business of the Company is well aligned with the actual foreign exchange receipts and disbursements, adequate capital for settlement at delivery is ensured to be right in place. As such, there is little impact on the liquid assets of the Company.

4. As to operation risks, the Company has prepared the foreign Exchange Hedging Management System (《外匯套期保值管理制度》), which prescribes that such business can only be carried out with the self-owned funds of the Group, and no transaction on financial derivatives purely for the purpose of profit shall be conducted. The Company is staffed with specialty personnel compatible with the responsibility of the post, who will implement the foreign exchange hedging business in strict compliance with the terms of reference. The Company has also set up the timely reporting system for abnormalities to circumvent operation risks to the extent possible.
5. In order to prevent delayed delivery of foreign exchange hedging, the Company will regulate the total amount of foreign exchange funds and the settlement and sale timing of foreign exchanges in close adherence to the receivable collection scheme. In principle, the lock-up amount and period for foreign currency hedging shall be in line with the recovery amount and time of foreign currency in circulation. In addition, the Company will give special weight to the management of foreign currency receivables to avoid late payment of account receivables.
6. With regard to legal risks, when conducting the foreign currency hedging business, the Company will keep abreast of relevant domestic and overseas policies and regulations and follow closely the requirements under relevant laws and regulations so as to ensure the lawful operations of the Group in respect of relevant transactions. Besides, the Company will enter into legal agreements with accurate and clearly defined terms to avoid any possible legal dispute.
7. The audit department shall be responsible for supervising and inspecting the compliance matter of the decision-making, management and implementation of hedging transactions made by the Group; making analysis on the operation status and fulfillment of plans of the Group, issuing review opinions on the necessity of the hedging business based thereon and providing information on profit and loss analysis and risk analysis in a timely manner in accordance with the management requirements.

The aforesaid resolution was considered and approved at the 39th meeting of the fifth session of the Board, and is hereby proposed at the AGM for the Shareholders' consideration and approval.

J. PROVISION OF GUARANTEES TO MENGJIN MINING AND RELATED-PARTY TRANSACTION

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, the resolution on the provision of guarantees to Mengjin Mining and related-party transaction was considered and approved at the 40th meeting of the fifth session of the Board. 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 Latest Practicable Date, Mengjin Mining has not applied for loans 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. The basic information of the provision of guarantee is set out as follows:

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

Indicator	2020 <i>(Unaudited)</i>	2021 <i>(Unaudited)</i>
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 Latest Practicable Date, 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, held 70% of the equity interests in Mengjin Mining as at the Latest Practicable Date.

Ms. Xu Xiaowei, a Chinese individual shareholder of Mengjin Mining, held 30% of the equity interests in Mengjin Mining as at the Latest Practicable Date. 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.

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.

Reasons for and benefits of the provision of guarantees

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.

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. 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 independent non-executive Directors approved the provision of guarantee to Mengjin Mining.

General

As at the Latest Practicable Date, Mr. Li Liangbin, the chairman and an executive Director of the Company, held 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 Hong Kong 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 Hong Kong 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 Hong Kong Listing Rules. The provision of guarantee is not a notifiable transaction under Chapter 14 of the Hong Kong 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 Hong Kong Listing Rules, such counter guarantee shall be fully exempted from reporting, announcement and independent Shareholders' approval requirements.

The aforesaid resolution was considered and approved at the 40th meeting of the fifth session of the Board. The related Director, Mr. Li Liangbin abstained from voting and did not act on behalf of other Directors, and the remaining eight non-related Directors (including Mr. Liu Jun who retired as an independent non-executive Director on March 31, 2022) with voting rights reviewed and unanimously passed the resolution. Since Mr. Li Liangbin, the actual controller of the Company, is the controlling shareholder of Mengjin Mining, this transaction constitutes a related-party transaction. The resolution is hereby proposed at the AGM for the Shareholders' consideration and approval since the transaction is required to be approved by the Shareholders according to the laws of the PRC and the Articles of Association. 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. 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 transaction.

K. TO CONSIDER AND APPROVE THE RESOLUTION IN RELATION TO INDUSTRIAL INVESTMENT WITH SELF-OWNED FUNDS

In order to improve the capital utilization efficiency and the return on capital of the Company and enhance the profitability of the Company, under the premise that daily working capital needs are fully guaranteed without prejudice to the normal production and operation of the Company and the risks are under effective control, the Company proposes to use its self-owned funds of not more than RMB3 billion for investments in industries at the upstream and downstream of new energy. The effective term of such investment shall be twelve months from the date on which the resolution in relation to the industrial investment is considered and approved at the AGM and such amount can be utilized on a rolling basis within the twelve months. The Board only intends to set a cap for such investment amount and no concrete transaction is proposed to be made at the moment. When entering into any specific transaction, the Company will comply with relevant requirements including Chapter 14 of the Hong Kong Listing Rules.

Investment purpose: to enhance the Company's capability in investing in and developing the strategic emerging industries, implementing its layout of new energy industry and achieve the overall strategic goal of the Company.

Investment amount: aggregate undue amount shall not exceed RMB3 billion (inclusive).

Source of funds: self-owned funds of the Company.

Investment scope: investments in stocks and their derivatives, funds, futures and real estate, as well as securities investment products targeting the aforesaid investments.

Internal control for the investments: the Company will carry out external investments in strict compliance with the Shenzhen Listing Rules, Guidelines for the Standardized Operation of Companies Listed on the Shenzhen Stock Exchange (《深圳證券交易所上市公司規範運作指引》) and other provisions. The Company has formulated the "Venture Investment Management Policy" to regulate the venture management conduct of the Company and facilitate the prevention of investment risks of the Company.

Investment risks: the Company will intervene to such extent as and when appropriate, taking account of the economic situation and changes in financial market, and the actual gain of investment is therefore unpredictable. In addition, the eventuality that such external investment may be affected by market fluctuation cannot be ruled out.

To cope with the investment risks, the Company proposes to take the following measures:

- (1) The Company has formulated “Venture Investment Management Policy” and other investment-related decision-making mechanisms to give detailed descriptions on the principle, scope, authority, internal review process, internal reporting procedure, oversight on the capital utilization, responsible departments and person in charge as well as other aspects in relation to external investment, which guard against investment risks effectively. In addition, the Company will also enhance market analysis and research and implement the relevant internal management policies so as to control risks in a strict manner.
- (2) The management shall obtain the approval of the chairman of the Company prior to going through concrete procedures. The department responsible for concrete implementation is required to make analysis on and keep track of the investment directions and project progress in a timely manner. Where any risk factor likely to prejudice the capital security of the Company is identified in the evaluation, countermeasures will be carried out promptly so as to control investment risks.
- (3) The audit department is responsible for the audit and oversight of the external investment projects. It will conduct full inspection on all external investment projects at the end of each financial year, make reasonable projections on the possible income and losses from the external investments according to the principle of prudence, and report to the audit committee.
- (4) The audit committee shall conduct prior review on the external investment, issue review opinions on the risks, performance of procedures and implementation of internal control systems concerning the external investments, and report to the Board. The audit committee shall conduct inspection on the progress of all external investment projects at the end of each financial year, and report to the Board on projects fail to yield the desired benefits in a timely manner.
- (5) Independent Directors shall have the rights to supervise and inspect the capital utilization and engage professional institutions for audit when necessary.

The Company, in adherence to the principle of prudent investment and on condition that the daily operations of the Company are assured and the capital is secure, use its self-owned funds to carry out investment business in respect of the industries at the upstream and downstream of new energy to the extent appropriate, which will not affect the normal operation of the principal business of the Company. The moderate industrial investment is beneficial to take hold of the opportunities arising from the rapid development of new energy industry. Investment in projects with great growth potential and development prospect will facilitate the industrial development of the Company on the one hand, and be conducive to the further improvement of the Company’s core competitiveness and profitability and therefore in line with the strategic development orientation of the Company on the other hand.

The Company undertakes that, the term of external investment will neither fall within the period when the idle proceeds are used to temporarily replenish working capital, nor pertain to the 12 months after the use of proceeds are changed into permanent supplements of working capital, or the 12 months after over-raised proceeds are utilized for permanent supplement of working capital or repayment of bank loans. The Company undertakes that, within 12 months after the external investment, it will not use idle proceeds to temporarily replenish working capital, change the use of proceeds into permanent supplements of working capital, or utilize over-raised proceeds for permanent supplement of working capital or repayment bank loans.

The aforesaid resolution was considered and approved at the 39th meeting of the fifth session of the Board, and is hereby proposed at the AGM for the Shareholders' consideration and approval.

L. SHAREHOLDERS' RETURN PLAN FOR THREE YEARS OF 2022 TO 2024

For the purposes of delivering reasonable returns to shareholders while ensuring sufficient funding for its growth, the Company has formulated the Shareholders' Return Plan of Ganfeng Lithium Co., Ltd. for the Three Years of 2022 to 2024 (the "**Plan**") in accordance with the requirements of applicable laws, regulations, normative documents and the regulatory rules of stock exchanges, such as the Company Law, and the Notice on Matters Relating to Further Implementation of Cash Dividend Distribution by Listed Companies (Zheng Jian Fa [2012]No. 37) (關於進一步落實上市公司現金分紅有關事項的通知) (證監發[2012]37號) and the Regulatory Guidance to Listed Companies No. 3 – Cash Dividend Payments by Listed Companies (上市公司監管指引第3號–上市公司現金分紅) (revised in 2022) issued by CSRC, as well as the provisions concerning profit distribution policy under the Articles of Association, the details of which are set out below:

I. Principles for Formulating the Plan

The Plan is formulated in accordance with applicable laws and regulations and the Articles of Association, emphasizes reasonable investment returns to investors while ensuring the sustainable development of the Company, and maintains the consistency and stability of the Company's profit distribution policy.

1. The Board shall take various factors into consideration, including the characteristics of the industry the Company operates in, the Company's development stage, business model and profitability as well as whether it has any substantial capital expenditure arrangement, to propose a differentiated cash dividend policy based on actual conditions and pursuant to the procedures stipulated in the Articles of Association.

2. Forms of profit distribution for the coming three years of 2022 to 2024: The Company may distribute profits in cash or bonus shares or a combination of both; where the conditions for cash dividend are satisfied, cash dividends shall be preferred for profit distribution.
3. The Company shall listen to and take into full consideration the opinions of public investors, especially minority Shareholders, independent Directors and Supervisors.

II. Factors Considered in Formulating the Plan

The Plan represents an arrangement made by the Company based on the comprehensive analysis of the Company's profitability, business development plans, shareholders' returns, and social capital costs and external financing environment, taking full account of the Company's current and future profits, cash flows, development stage, fund requirements for project investments, bank credit and debt financing environment while balancing Shareholders' reasonable investment returns and the Company's long-term development.

III. The Specific Plan for Delivering Returns to Shareholders for the Coming Three Years of 2022–2024

- (I) Principles of profit distribution: The Company adopts a proactive profit distribution policy that emphasizes reasonable investment returns to investors and maintains continuity and stability while taking into account the Company's sustainable development. The profit distribution shall not exceed the scope of accumulated distributable profits and shall not impair the Company's ability to continue to operate as a going concern.
- (II) Form of profit distribution: The Company may distribute dividends in the form of cash, stocks or a combination of cash and stocks, and preferentially use cash dividend distribution.

The Company generally makes profit distribution on an annual basis. If it is allowable under the conditions, the Board may propose that the Company make profit distribution for the interim period.

- (III) Proportion of cash dividends: To the extent that the funding requirements for the Company's normal production and operation activities are satisfied, and the Company makes profits in the current year and has positive accumulated undistributed profits, dividends may be distributed in cash. The profits distributed in cash each year shall not be less than 10% of distributable profits realized in the year.

The Company may not pay cash dividends or the proportion of cash dividends may be lower than 10% of the distributable profits realized during the year, if any of the following occurs:

1. distributable profit per share realized in the current year is less than RMB0.1.
 2. the audited debt asset ratio in the current year (parent company) exceeds 70%.
 3. the Company will have major investment plans or significant cash outlays in the next 12 months (except for the raised funds). A major investment plan or significant cash outlay means that the Company intends to make external investment, acquire assets, or purchase equipment in the next 12 months, of which cumulative expenditure exceeds 30% of the net assets in the latest audited consolidated financial statements of the Company, and is in excess of RMB50 million.
- (IV) The profits accumulatively distributed by the Company in cash over the last three years are not less than 30% of the annual average distributable profits realized in the last three years.
- (V) Where the Company is in good operating condition and the Board believes that the Company's stock price does not match the size of the Company's share capital, and that the issuance of bonus shares is beneficial to the overall interests of all the Company's shareholders, the Board may, if the conditions on cash dividends stated above are satisfied, propose a stock dividend distribution plan, which shall be subject to consideration and approval at the general meeting. When distributing profits in the form of bonus shares, the Company shall take into full consideration such factors as the Company's growth and the dilutive effect on return on equity per share.

- (VI) The Board shall take into consideration various factors including the characteristics of the industry the Company operates in, the Company's development stage, business model and profitability as well as whether it has any substantial capital expenditure arrangement, and propose a differentiated cash dividend policy based on the following conditions and pursuant to the procedures stipulated in the Articles of Association:
1. Where the Company is at a mature stage in its development and has no major capital expenditure arrangement, cash dividends shall at least account for 80% of the total distribution when distributing profits;
 2. Where the Company is at a mature stage in its development and has major capital expenditure arrangements, cash dividends shall at least account for 40% of the total distribution when distributing profits;
 3. Where the Company is at a growth stage in its development and has major capital expenditure arrangements, cash dividends shall at least account for 20% of the total distribution when distributing profits;

The provision stated above may apply if it is difficult to determine the Company's stage of development and the Company has significant capital expenditure arrangements.

IV. Formulation cycle of Shareholders' Return Plan and Relevant Decision-Making and Adjustment Mechanisms

The Company reviews its Shareholders' return plan for the coming three years at least once every three years. After listening to and taking into full consideration the opinions of Shareholders (especially public investors and small and medium-sized investors), independent Directors and the Board of Supervisors, the Board formulates the Shareholders' return plan for the upcoming three years based on the effective profit distribution policy of the Company and with reference to the Company's specific business conditions, cash flows, development stage and funding requirements, and submits the same to the general meeting for deliberation.

The management and the Board put forward proposal and plan for dividend distribution with reference to Company's profitability and funding requirements. The Board shall fully discuss with independent Directors and Supervisors in the process of demonstration of the profit distribution plan, and listen to the opinions of minority Shareholders through various channels, so as to formulate a profit distribution plan on the basis of considering continuous, stable and scientific returns to all Shareholders.

When the Board considers the profit distribution plan, it must be approved by a majority of all Directors, and by more than half of the Company's independent Directors who shall express clearly their independent opinions; when the Board of Supervisors considers the profit distribution plan, it must be approved by a majority of all Supervisors. The profit distribution plan shall be submitted to the general meeting for consideration only after consideration and approval by the Board and the Board of Supervisors, and must be approved by two-thirds or more of the voting rights of the Shareholders present at the meeting.

The Company shall effectively protect the right of public Shareholders to attend the general meetings, and the Board, independent Directors and Shareholders satisfying certain conditions may solicit the rights to vote at general meetings from shareholders of the Company.

If it is really necessary to adjust the Company's existing dividend distribution plan due to the external business environment or the Company's own operating needs, the reasons for the adjustment will be demonstrated and explained in detail. The adjusted dividend distribution plan should take into full account the interests of the Shareholders, especially the minority Shareholders, and conform to the provisions of relevant laws and regulations and the Articles of Association.

V. Miscellaneous

Matters not covered in the Plan shall be dealt with in accordance with relevant laws and regulations, normative documents and the Articles of Association. The Plan shall be interpreted by the Board and shall come into effect from the date of consideration and approval at the AGM.

NOTICE OF THE 2021 AGM



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)

NOTICE OF THE 2021 AGM

NOTICE IS HEREBY GIVEN that the 2021 annual general meeting (the “**AGM**”) of Ganfeng Lithium Co., Ltd. (the “**Company**”) will be held 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 People’s Republic of China on Friday June 10, 2022 at 2:00 p.m. for the following purposes. Unless otherwise stated, the terms used herein and in the following resolutions shall have the same meanings as defined in the circular of the Company dated May 6, 2022 (the “**Circular**”), for which the notice convening the AGM shall constitute a part. The following resolutions shall be considered and approved, if thought fit, at the AGM:

ORDINARY RESOLUTIONS

1. Work Report of the Board of Directors for 2021
2. Work Report of the Board of Supervisors for 2021
3. 2021 annual report, summary of the annual report and annual results announcement
4. 2021 financial report as respectively audited by the domestic and overseas auditors
5. Engagement of domestic and overseas auditors and the internal control auditors for 2022
6. The remuneration of domestic and overseas auditors and the internal control auditors for 2022
7. Determination of directors’ emoluments
8. Determination of supervisors’ emoluments

NOTICE OF THE 2021 AGM

SPECIAL RESOLUTIONS

1. Profit distribution proposal for 2021 and issuance of bonus shares by way of conversion of capital reserve
2. Grant of general mandate to the Board
3. General mandate to issue domestic and overseas debt financing instruments
4. Engagement in foreign exchange hedging business by the Company and its subsidiaries
5. Continuing related-party transactions for 2022
6. The provision of guarantees to Mengjin Mining and related-party transaction
7. Industrial investment with self-owned funds
8. Shareholders' return plan for three years of 2022 to 2024

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

May 6, 2022

As at the date of this notice, the Board of the Company 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.

Notes:

- (A) In order to determine the list of shareholders of the Company who will be entitled to attend and vote at the AGM, the registers of members of the Company will be closed from Tuesday, June 7, 2022 to Friday, June 10, 2022, both days inclusive, during which no transfer of H shares in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong dollar and listed on the Hong Kong Stock Exchange ("H Shares"), will be effected. Holders of H Shares whose names appear on the registers of members of the Company at 4:30 p.m. on Monday, June 6, 2022 shall be entitled to attend and vote at the AGM. In order for the holders of H Shares to qualify to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, June 6, 2022 for registration.

NOTICE OF THE 2021 AGM

- (B) Holders of H Shares intending to attend the AGM (or any adjournment thereof) should complete and return the reply slip for attending the AGM (or any adjournment thereof) personally, by facsimile or by post.

Holders of H Shares should complete and return the reply slip to the Company's H Share Registrar by facsimile at (852) 2865 0990 or by post to (or by depositing it at) 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong such that the reply slip shall be received by the Company's H Share Registrar 20 days before the AGM (i.e. on or before Saturday, May 21, 2022).

- (C) Each holder of H Shares may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the AGM (or any adjournment thereof) on his behalf. A proxy need not be a shareholder of the Company.
- (D) Holders of H Shares must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant shareholder of the Company or by a person duly authorized by the relevant shareholder of the Company in writing (a "power of attorney"). If the form of proxy is signed by the person authorized by the relevant shareholder of the Company as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarized. If a corporate shareholder of the Company appoints a person other than its legal representative to attend the AGM (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate shareholder of the Company or duly signed by the chairman of the board of directors or any other person duly authorized by that corporate shareholder of the Company as required by the articles of association of the Company.
- (E) To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant documents of authorization (if any) as mentioned in note (D) above must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited (address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong), not less than 24 hours before the time appointed for the AGM (i.e. not later than 2:00 p.m. on Thursday, June 9, 2022, Hong Kong time) (or any adjournment thereof).
- (F) Shareholders may contact the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited by telephone at (852) 2862 8555 or by email to hkinfo@computershare.com.hk in connection with the AGM.
- (G) A shareholder of the Company or his proxy should produce proof of identity when attending the AGM (or any adjournment thereof). If a corporate shareholder's legal representative or any other person duly authorised by such corporate shareholder attends the AGM (or any adjournment thereof), such legal representative or other person shall produce his proof of identity, proof of designation as legal representative and/or the valid authorization document (as the case may be).
- (H) The AGM (or any adjournment thereof) is expected to last for one day. Shareholders who attend the AGM (or any adjournment thereof) shall bear their own travelling and accommodation expenses.
- (I) As at the date of this notice, the Board of the Company 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.

NOTICE OF THE H SHARE CLASS MEETING



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)

NOTICE OF THE H SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that a H Share Shareholders Class Meeting (the "**H Share Class Meeting**") of Ganfeng Lithium Co., Ltd. (the "**Company**") will be held on Friday, June 10, 2022 immediately after the conclusion of the A Share Shareholders Class Meeting (the "**A Share Class Meeting**") 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, PRC to consider and, if thought fit, to pass the following resolution:

SPECIAL RESOLUTION

1. Profit distribution proposal for 2021 and issuance of bonus shares by way of conversion of capital reserve

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

May 6, 2022

As at the date of this notice, the Board of the Company 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.

NOTICE OF THE H SHARE CLASS MEETING

Notes:

(A) In order to determine the list of shareholders of the Company who will be entitled to attend and vote at the H Share Class Meeting, the registers of members of the Company will be closed from Tuesday, June 7, 2022 to Friday, June 10, 2022, both days inclusive, during which no transfer of H shares in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong dollar and listed on the Hong Kong Stock Exchange (“H Shares”), will be effected. Holders of H Shares whose names appear on the registers of members of the Company at 4:30 p.m. on Monday, June 6, 2022 shall be entitled to attend and vote at the H Share Class Meeting. In order for the holders of H Shares to qualify to attend and vote at the H Share Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, June 6, 2022 for registration.

(B) Holders of H Shares intending to attend the H Share Class Meeting (or any adjournment thereof) should complete and return the reply slip for attending the H Share Class Meeting (or any adjournment thereof) personally, by facsimile or by post.

Holders of H Shares should complete and return the reply slip to the Company’s H Share Registrar by facsimile at (852) 2865 0990 or by post to (or by depositing it at) 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong such that the reply slip shall be received by the Company’s H Share Registrar 20 days before the H Share Class Meeting (i.e., on or before Saturday, May 21, 2022).

(C) Each holder of H Shares may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the H Share Class Meeting (or any adjournment thereof) on his behalf. A proxy need not be a shareholder of the Company.

(D) Holders of H Shares must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant shareholder of the Company or by a person duly authorized by the relevant shareholder of the Company in writing (a “power of attorney”). If the form of proxy is signed by the person authorized by the relevant shareholder of the Company as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarized. If a corporate shareholder of the Company appoints a person other than its legal representative to attend the H Share Class Meeting (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate shareholder of the Company or duly signed by the chairman of the board of directors or any other person duly authorized by that corporate shareholder of the Company as required by the articles of association of the Company.

(E) To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant documents of authorization (if any) as mentioned in note (D) above must be delivered to the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited (address: 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong), not less than 24 hours before the time appointed for the H Share Class Meeting (i.e. not later than 2:00 p.m. on Thursday, June 9, 2022, Hong Kong time) (or any adjournment thereof).

(F) Shareholders may contact the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited by telephone at (852) 2862 8555 or by email to hkinfo@computershare.com.hk in connection with the H Share Class Meeting.

(G) A shareholder of the Company or his proxy should produce proof of identity when attending the H Share Class Meeting (or any adjournment thereof). If a corporate shareholder’s legal representative or any other person duly authorised by such corporate shareholder attends the H Share Class Meeting (or any adjournment thereof), such legal representative or other person shall produce his proof of identity, proof of designation as legal representative and/or the valid authorization document (as the case may be).

NOTICE OF THE H SHARE CLASS MEETING

- (H) The H Share Class Meeting (or any adjournment thereof) is expected to last for one day. Shareholders who attend the H Share Class Meeting (or any adjournment thereof) shall bear their own travelling and accommodation expenses.
- (I) As at the date of this notice, the Board of the Company 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.