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赣锋锂业
GanfengLithium
Ganfeng Lithium Group Co., Ltd.
江西赣锋锂业集团股份有限公司

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

(Stock Code: 1772)

ANNOUNCEMENT
IN RELATION TO THE PROPOSED SPIN-OFF AND LISTING OF A
CONTROLLED SUBSIDIARY

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Ganfeng Lithium Group Co., Ltd (the “**Company**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”).

The 52nd meeting of the fifth session of the Board was held on November 21, 2022. The meeting considered and approved the resolutions in relation to, among other things, (i) the proposed spin-off and listing of Ganfeng LiEnergy Technology Co., Ltd (“**Ganfeng LiEnergy**”), a controlled subsidiary of the Company; and (ii) the proposed capital increase and share expansion by Ganfeng LiEnergy and related party transaction (the “**Capital Increase and Share Expansion**”). The Board will propose a special resolution at the 2022 fourth extraordinary general meeting of the Company (the “**EGM**”) for the purpose of considering, and if thought fit, approving the Capital Increase and Share Expansion.

The details of the aforesaid resolutions are set out below:

I. THE PROPOSED SPIN-OFF AND LISTING OF A CONTROLLED SUBSIDIARY

In accordance with the Company’s development strategy of building Ganfeng ecological recycle chain, in order to promote the business development of Ganfeng LiEnergy, and support its attempt to expand and strengthen its lithium battery business, it was agreed that the Company shall initiate the demonstration of feasibility plans for spin-off and listing of Ganfeng LiEnergy on Shenzhen Stock Exchange (the “**Spin-off**”), and the Board has authorized the management of the Company and Ganfeng LiEnergy to duly initiate the relevant work for the Spin-off according to the operation condition of Ganfeng LiEnergy and relevant laws and regulations.

The Spin-off is still in its early stage. Given that a case has been filed against the Company which is currently investigated by the China Securities Regulatory Commission (for further information, please refer to the overseas regulatory announcement of the Company dated July 3, 2022), the Spin-off involves significant uncertainty risks.

Shareholders and potential investors of the Company should be aware that the Spin-off, if materializes, will constitute a spin-off within the meaning of Practice Note 15 of the Listing Rules and will be subject to the approval of the Hong Kong Stock Exchange. An application for the Spin-off will be made by the Company to the Hong Kong Stock Exchange as and when appropriate.

II. THE PROPOSED CAPITAL INCREASE AND SHARE EXPANSION BY GANFENG LIENERGY, A CONTROLLED SUBSIDIARY AND RELATED PARTY TRANSACTION

In accordance with the Company's development strategy of building Ganfeng ecological recycle chain, in order to enhance the capital strength of Ganfeng LiEnergy, and support its attempt to expand and strengthen its lithium battery business, it was agreed that (i) the Company shall make capital contribution in the aggregate amount of not more than RMB2,090.01 million (including direct investment of RMB2,000.01 million by the Company and investment of RMB90 million by Xinyu Hongxiang Service Management Center (Limited Partnership) (新余鴻翔服務管理中心(有限合夥)), an employee stock ownership platform of Ganfeng LiEnergy), (ii) eleven external investors shall be introduced to make capital contribution in the aggregate amount of not more than RMB390 million and (iii) Xinyu Hongxiang Service Management Center (Limited Partnership) shall make capital contribution in the aggregate amount of not more than RMB213,159,000 to increase the registered capital of Ganfeng LiEnergy from RMB2,135.7 million to RMB3,003.423 million. The management of the Company and Ganfeng LiEnergy are authorized to handle the relevant formalities of the Capital Increase and Share Expansion and sign the relevant legal documents.

The Board will propose a special resolution at the EGM for the purpose of considering, and if thought fit, approving the Capital Increase and Share Expansion, which must be passed by more than two-thirds of the total number of shares with valid voting rights held by the shareholders of the Company attending the EGM in accordance with the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the parties to the Capital Increase and Share Expansion and their respective ultimate beneficial owners are independent third parties of the Company and its connected person (as defined under the Listing Rules) and Gangeng LiEnergy is not a connected subsidiary (as defined under the Listing Rules) of the Group. Accordingly, the Capital Increase and Share Expansion is not a connected transaction under Chapter 14A of the Listing Rules. Furthermore, as all the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed Capital Increase and Share Expansion pursuant to the relevant capital increase agreement and shareholders' agreement in aggregate are less than 5%, the Capital Increase and Share Expansion is not subject to any notification and announcement requirement as set out in Chapter 14 of the Listing Rules.

III. EGM

The Company would convene the EGM to consider and approve the resolution in relation to the Capital Increase and Share Expansion. A circular containing, among other things, details of the Capital Increase and Share Expansion will be despatched to the shareholders of the Company in due course.

The Company will comply with the approval procedures and perform the obligation of information disclosure in a timely manner according to the progress of the Spin-off. Investors are advised to invest rationally and pay attention to the investment risks.

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

Jiangxi, PRC
November 23, 2022

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