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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 PURSUANT TO RULES 13.51(2) AND 13.51B(2)
OF THE LISTING RULES**

This announcement is made by Ganfeng Lithium Group Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.51(2) and 13.51B(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), in relation to Mr. Li Liangbin (“**Mr. Li**”), an executive director of the Company and the chairman of the board of directors of the Company (the “**Board**”).

On December 6, 2022, the Company received the Advance Notice of Administrative Penalty (Gan Penalty Zi [2022] No.4) (《行政處罰事先告知書》((贛處罰字[2022] 4號)) (“**Notice**”) issued by 中國證監會江西監管局 (China Securities Regulatory Commission (Jiangxi)) (the “**CSRC**”), main contents of which are as follows:

Pursuant to the Notice, the Company has been investigated by the CSRC for its suspected insider trading of shares of Jiangxi Special Motor Co., Ltd. (“**JTEM**”) (Stock Code: 002176.SZ), the shares of which are listed on the Shenzhen Stock Exchange. The CSRC has completed its investigation and proposes to impose administrative penalty on the Company, Mr. Li and Ms. Ouyang Ming, Secretary to the Board and the vice president of the Company (“**Ms. Ouyang**”).

As from June 2020, the Company approached JTEM through the invitation by Yuanzhou District Government of Yichun City to explore any potential cooperation with JTEM, including but not limited to acquiring certain shares of JTEM. On August 12, 2020, the Company and JTEM entered into a Memorandum of Cooperation, agreeing that the Company would subscribe JTEM’s non-public offering shares exclusively and become the controlling shareholder of JTEM. Hence, Mr. Li would also become the actual controller of JTEM.

On August 13, 2020, JTEM announced that it was preparing for the non-public offering of shares, which might lead to the change of controlling shareholder and actual controller of the company.

Subsequently, the Company conducted a due diligence investigation on JTEM. On August 20, 2020, JTEM disclosed that the parties had failed to reach an agreement on the key terms to avoid horizontal competition and terminated the preparation of the non-public offering.

As stated in the Notice, the non-public offering of shares planned by JTEM may lead to the change of controlling shareholders and actual controllers of JTEM, which constituted “significant changes in the shares held by shareholders or actual controllers holding more than 5% of the Company’s shares or controlling the Company” stipulated in paragraph 8, Article 80(2) of the Securities Law (《證券法》), and is therefore an inside information stipulated in Article 52 of the Securities Law before the disclosure of such information in accordance with the relevant laws. The CSRC considered that the inside information was formed no later than June 9, 2020, and was published on August 13, 2020. Accordingly, such inside information was withheld from public knowledge from June 9, 2020 to August 13, 2020, and each of Mr. Li, Ms. Ouyang, Ms. Yang Manying (who was the vice president and financial director of the Company), relevant directors and senior executives of JTEM, and relevant staff of Yichun City and Yuanzhou District Government are all considered as persons in possession of inside information. Among them, the inside information came to Mr. Li’s and Ms. Ouyang’s knowledge no later than June 18, 2020.

Upon decisions made by Mr. Li and action taken by Ms. Ouyang, the Company through its securities account purchased 15,677,700 shares of JTEM with a consideration of RMB26,483,753.18 during the period from June 23, 2020 to July 2, 2020. All such shares had been sold for an amount of RMB27,632,905, recognizing a profit of RMB1,105,283.92. The proceeds of the sale of shares of JTEM remained in the Company’s securities account.

The CSRC is of the opinion that above-mentioned acts of the Company are suspected of contravening the provisions of Article 53(1) of the Securities Law and constitute insider trading as described in Article 191(1) of the Securities Law. For the insider trading committed by the Company, Mr. Li, the Chairman and President of the Company, was the officer directly in charge and Ms. Ouyang, the Secretary to the Board, was the other person directly responsible.

Based on the facts, nature, circumstances, degree of social harm of the illegal acts of the parties involved, and in accordance with Article 191(1) of the Securities Law, the CSRC proposes to:

1. confiscate the illegal sale proceeds of the Company, being RMB1,105,283.92, and impose a fine of RMB3,315,851.76;

2. issue a warning to Mr. Li, and impose a fine of RMB600,000; and
3. issue a warning to Ms. Ouyang, and impose a fine of RMB200,000.

In accordance with Articles 45, 63 and 64 of the Administrative Penalty Law of the People's Republic of China and the relevant provisions of the Rules of the China Securities Regulatory Commission on Administrative Penalty Hearings (《中國證券監督管理委員會行政處罰聽證規則》), the Company, Mr. Li and Ms. Ouyang shall have the right to state and defend their cases and request a hearing in response to the administrative penalty proposed by the CSRC.

For further details in respect of the Notice, please refer to the overseas regulatory announcement of the Company dated December 7, 2022.

Mr. Li confirmed to the Company that save as disclosed above, there is no other information relating to him that is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and Mr. Li is not aware of any other matters that need to be brought to the attention of the shareholders of the Company.

The Company will make further announcement as and when appropriate in strict compliance with all applicable laws and the Listing Rules. The Company will enhance its corporate governance and improve its level of compliance and internal control to prevent the reoccurrence of similar incident in the future. To the best knowledge and information of the Board, the administrative penalty proposed by the CSRC, including the fine imposed on the Company, did not and will not have any material adverse impact on the business and operations of the Group.

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

Jiangxi, PRC
December 7, 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.