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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to the disclosure requirements under Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

According to the relevant regulations of the People's Republic of China, GANFENG LITHIUM GROUP CO., LTD. (the "**Company**") had published the following announcement on the website of the Shenzhen Stock Exchange (<http://www.szse.cn/>). The following is a translation of the official announcement solely for the purpose of providing information.

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

Jiangxi, PRC
May 29, 2023

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.

GANFENG LITHIUM GROUP CO., LTD
ANNOUNCEMENT ON THE PROPOSED DERIVATIVES TRADING
WITH SELF-OWNED FUNDS

The Company and all members of its board of directors warrant that the information contained in this announcement is true, accurate and complete and there are no false representations or misleading statements contained in or material omissions from this announcement.

IMPORTANT NOTES:

1. With the evolving global layout of Ganfeng Lithium Group Co., Ltd (the “**Company**”), the Company’s offshore industrial investments are gradually increasing. The Company and its subsidiaries propose to carry out derivatives trading appropriately to reduce the risks of market fluctuations related to cross-border investments and offshore industrial investments and enhance financial stability. The instruments to be adopted are financial derivatives (including but not limited to options and forwards) with underlying assets including securities, indices, commodities, interest rates, etc., involving both offshore and over-the-counter contracts. During the effective period of the authorization, the related trading margin and premium shall not exceed RMB8 billion (or its equivalent in foreign currencies) and the maximum contract value held on each trading day shall not exceed RMB8 billion (or its equivalent in foreign currencies), which could be applied on a revolving basis within the same period.
2. The resolution in relation to the proposed derivatives trading with self-owned funds was considered and approved at the 61st meeting of the fifth session of the Board of Directors and the 42nd meeting of the fifth session of the Board of Supervisors, and the independent non-executive directors issued their concurring independent opinions on the same matter. The resolution in relation to the proposed

derivatives trading with self-owned funds is subject to consideration and approval of the Shareholders at the general meeting of the Company.

3. Risk reminder: The course of derivatives trading is subject to decision-making and market risks, liquidity risks, operation risks, contract performance risks, etc. The Company will actively implement risk control measures and perform subsequent information disclosure obligations in a timely manner in accordance with the regulations. Investors are reminded to beware of the risks.

I. OVERVIEW OF DERIVATIVES TRADING

1. Trading purpose

With the evolving global layout of the Company, the Company's offshore industrial investments are gradually increasing. The Company and its subsidiaries propose to carry out derivatives trading appropriately to reduce the risks of market fluctuations related to cross-border investments and offshore industrial investments and enhance financial stability.

2. Trading size

The related trading margin and premium shall not exceed RMB8 billion (or its equivalent in foreign currencies) and the maximum contract value held on each trading day shall not exceed RMB8 billion (or its equivalent in foreign currencies) within twelve months from the date when the resolution is considered and approved at the general meeting of the Company ("the effective period of the authorization"), which could be applied on a revolving basis during the effective period of the authorization. The chairman of the Board or his authorized representative(s) shall be authorized to execute relevant contracts subject to the trading size.

3. Trading approach

The Company will conduct derivatives trading appropriately on the premise that such actions will not affect its normal business operation. The instruments to be adopted are financial derivatives (including but not limited to options and

forwards) with underlying assets including securities, indices, commodities, interest rates, etc. The trading approaches include but are not limited to utilizing derivatives portfolios such as collar position to protect the value of shares (such as shares of Pilbara Minerals Limited held by the Company). The derivatives that the Company will trade in involve both offshore and over-the-counter contracts to more effectively reduce the risks of market fluctuations related to cross-border investments and offshore industrial investments. The counterparties to the Company's derivatives trading will be limited to the financial institutions with prudent operations and sound credit ratings. The counterparties are not expected to be connected persons of the Company.

4. Trading term

The term of a single trading is expected to be no more than four years. If the term of a single trading exceeds the effective period of the authorization, the latter will be automatically extended to the termination of that trading.

5. Sources of funds

The sources of funds of the proposed derivatives trading will be the self-owned funds of the Company, and do not involve the use of raised funds or bank credit facilities.

II. PROCEDURES FOR CONSIDERATION AND APPROVAL

1. The resolution in relation to the proposed derivatives trading with self-owned funds has been considered and approved at the 61st meeting of the fifth session of the Board and the 42nd meeting of the fifth session of the Board of Supervisors, and the independent non-executive directors have issued their favorable independent opinions on the same matter, which is subject to consideration and approval of the Shareholders at the general meeting of the Company.

2. The proposed derivatives trading with self-owned funds is not expected to constitute a connected transaction, nor a major asset reorganization under the

Measures for Administration of Major Assets Reorganization of Listed Companies (《上市公司重大资产重组管理办法》).

III. RISK ANALYSIS AND RISK CONTROL MEASURES OF DERIVATIVES TRADING

1. Risk analysis

(1) Market risks

The returns of derivatives are subject to various factors such as macroeconomic conditions, exchange rates, interest rates, stock prices, tax rates, volatility and time to maturity of the derivatives, and there is a certain extent of market risks.

(2) Liquidity risks

There are risks of unable to complete the transactions due to insufficient market liquidity, or early termination of the transactions.

(3) Operation risks

Derivatives trading is highly specialized and relatively complex, and therefore involves operation risks. Before trading, the personnel responsible for operations have fully understood the information about and operation steps of the derivatives product in order to minimize operation risks as much as possible.

(4) Contract performance risks

Derivatives trading is subject to the risk of default due to the counterparties' failure of performance at the expiration of the contracts. The counterparties to the Company's derivatives trading are financial institutions with sound credit ratings and long-standing business relationships with the Company and their contract performance risk is quite low.

2. Risk control measures

(1) The Company has formulated Venture Capital Investment Management System (《风险投资管理制度》) and other investment-related decision-making

mechanisms to govern 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 venture capital investment including derivatives, which guard against investment risks effectively. In addition, the Company will also enhance market analysis and research and implement the relevant internal management systems to strictly control risks.

(2) The management shall obtain the approval of the chairman of the Board prior to actual implementation. The Company will keep abreast of relevant policies and regulations domestically and overseas to closely follow the requirements thereunder when conducting derivatives trading to ensure the Company and its subsidiaries' lawful trading operation. The Company and its subsidiaries shall enter into agreements with accurate and clearly defined terms to avoid any possible legal disputes to the extent possible.

(3) The department responsible for actual implementation is required to keep track of international market environment and price changes in a timely manner and make dynamic management. 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.

(4) The Company is staffed with specialist personnel with distinct responsibilities to conduct the derivatives trading in strict compliance within the scope of the authorization. A timely reporting system for abnormalities is also established to prevent operation risks to the utmost extent possible.

(5) The audit department shall be responsible for supervising and inspecting the compliance of the decision-making, management and implementation of derivatives trading made by the Company and its subsidiaries, reviewing and providing opinions on the necessity of the derivatives trading based on the analysis of the operation status and fulfillment of plans of the Company and its subsidiaries, and providing information on profit and loss analysis and risk

analysis in a timely manner in accordance with the management's requirements.

IV. ACCOUNTING TREATMENT FOR PROPOSED DERIVATIVES TRADING

The Company will, based on the actual conditions of the derivatives trading business, account and present the derivatives trading in accordance with the Accounting Standards for Business Enterprises No.22 – Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No.37 – Presentation of Financial Instruments, the Accounting Standards for Business Enterprises No. 39 – Fair Value Measurement, and their guidelines promulgated by the Ministry of Finance of the PRC.

V. OPINIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors has furnished an independent opinion as follows:

The Company has prepared a feasibility analysis report on the proposed derivatives trading. The purpose of the proposed derivatives trading is to reduce the risks of market fluctuations related to cross-border investments and offshore industrial investments and enhance financial stability on the premise that such actions will not affect the normal business operation of the Company. The Company has formulated Venture Capital Investment Management System (《风险投资管理制度》) and other risk control measures to enhance the risk management and control of derivatives trading. The relevant procedures for disclosing, considering and approving the derivatives trading are performed in compliance with the relevant laws and regulations as well as the Articles of Association of the Company. There are no such circumstances under which the interests of the Company and its Shareholders, especially the minority Shareholders, are jeopardized. Therefore, all independent non-executive Directors approved the Proposed Derivatives Trading.

VI. DOCUMENTS AVAILABLE FOR INSPECTION

1. Resolution of the 61st Meeting of the Fifth Session of the Board of Directors
2. Resolution of the 42nd Meeting of the Fifth session of the Board of Supervisors
3. Independent Non-executive Directors' Independent Opinions on Matters Related to the 61st Meeting of the Fifth Session of the Board of Directors
4. Feasibility Analysis Report of Derivatives Trading
5. Venture Capital Investment Management System of Ganfeng Lithium Group Co, Ltd.

Announcement is hereby given.

GANFENG LITHIUM GROUP CO., LTD.

Board of Directors

May 29, 2023