
THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Ganfeng Lithium Group Co., Ltd., you should at once hand this supplemental circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**SUPPLEMENTAL CIRCULAR TO CIRCULAR OF
THE COMPANY DATED MAY 19, 2023 IN RELATION TO
(1) PROPOSED DERIVATIVES TRADING WITH SELF-OWNED FUNDS;
AND
(2) SUPPLEMENTAL NOTICE OF THE 2022 AGM**

This supplemental circular shall be read in conjunction with the circular of the Company dated May 19, 2023.

A letter from the Board is set out on pages 1 to 10 of this supplemental circular.

The supplemental notice of the AGM is set out on pages 11 to 12 in this supplemental circular. The AGM 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 Thursday, June 29, 2023 at 9:00 a.m.

A supplemental proxy form for the AGM is enclosed with this supplemental circular. Holders of H Shares who intend to attend the AGM by proxy are required to complete the supplemental proxy form in accordance with the instructions printed thereon and return the same to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the AGM or any adjournment thereof. Completion and return of the supplemental proxy form will not preclude you from attending and voting at the AGM or any adjourned meeting should you so wish.

June 14, 2023

CONTENTS

	<i>Pages</i>
DEFINITIONS	ii
LETTER FROM THE BOARD	1
I. INTRODUCTION	2
II. PROPOSED DERIVATIVES TRADING WITH SELF-OWNED FUNDS	3
III. AGM	8
IV. PROXY ARRANGEMENT	9
V. RECOMMENDATION	10
VI. RESPONSIBILITY STATEMENT	10
SUPPLEMENTAL NOTICE OF THE 2022 AGM	11

DEFINITIONS

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

“AGM” or “2022 AGM”	the 2022 annual general meeting of the Company to be held on June 29, 2023 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;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“Board”	the board of the Directors;
“Company”	Ganfeng Lithium Group Co., Ltd. (江西贛鋒鋰業集團股份有限公司), a joint stock company established in the PRC with limited liability whose A Shares and H Shares are listed on the Shenzhen Stock Exchange (stock code: 002460) and on the Main Board of the Stock Exchange (stock code: 1772), respectively;
“connected person”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“H Share(s)”	overseas listed ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed and traded on the Stock Exchange;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“independent third party(ies)”	person(s) or company(ies) who/which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not a connected person/connected persons of the Company and its connected persons;

DEFINITIONS

“Latest Practicable Date”	June 9, 2023, being the latest practicable date prior to the printing of this supplemental circular for ascertaining certain information in this supplemental circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent

In case of any inconsistency between the Chinese version and the English version of this supplemental circular, the English version shall prevail.

LETTER FROM THE BOARD



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)

Executive Directors:

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

Registered Office:

Longteng Road
Economic Development Zone
Xinyu
Jiangxi Province, PRC

Non-executive Directors:

Ms. YANG Juan
Mr. YU Jianguo

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:

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

June 14, 2023

To the Shareholders

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR TO CIRCULAR OF
THE COMPANY DATED MAY 19, 2023 IN RELATION TO
(1) PROPOSED DERIVATIVES TRADING WITH SELF-OWNED FUNDS;
AND
(2) SUPPLEMENTAL NOTICE OF THE 2022 AGM**

LETTER FROM THE BOARD

I. INTRODUCTION

This supplemental circular should be read in conjunction with the circular of the Company dated May 19, 2023 (the “**Previous Circular**”).

The purpose of this supplemental circular is to provide you with the relevant information for making informed decisions in respect of the resolution at the AGM in respect of the proposed derivatives trading with self-owned funds.

Unless otherwise indicated, capitalized terms used herein have the same meanings as those defined in the Previous Circular.

Pursuant to the Article 70 of the Articles of Association, the Board, as the convener of the Shareholders’ general meeting, shall not make any change to the proposals set forth in the notice of the Shareholders’ general meeting or submit any new proposal after publishing the notice of the Shareholders’ general meeting. Shareholders that hold, individually or collectively, 3% or more of the Shares of the Company may submit provisional proposals in writing to the convener 10 days prior to the date of the Shareholders’ general meeting. On May 26, 2023, the Board received the provisional proposal relating to the resolution on the proposed derivatives trading with self-owned funds submitted by Mr. Li Liangbin, the largest Shareholder, to the AGM.

Pursuant to the laws of the PRC and the Articles of Association, the proposed derivatives trading with self-owned funds is subject to the approval of the Shareholders at the AGM by way of special resolution.

Save as supplemented by this supplemental circular and the supplemental notice of the AGM, the other information sets out in the Previous Circular and the notice of the AGM dated May 19, 2023 remains unchanged.

LETTER FROM THE BOARD

II. PROPOSED DERIVATIVES TRADING WITH SELF-OWNED FUNDS

Reference is made to the overseas regulatory announcement of the Company dated May 29, 2023 in relation to the proposed derivatives trading with self-owned funds.

With the evolving global layout of the Company, the Company's offshore industrial investments are gradually increasing. The Group propose to carry out derivatives trading appropriately to reduce the risks of market fluctuations relating 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 off-shore 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.

1. Overview of the Proposed Derivatives Trading with Self-owned Funds

(1) Trading purpose

With the evolving global layout of the Company, the Company's offshore industrial investments are gradually increasing. The Group proposes 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.

LETTER FROM THE BOARD

(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 expected to be independent third parties.

(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.

LETTER FROM THE BOARD

2. Risk Analysis and Risk Control Measures of the Proposed Derivatives Trading with Self-owned Funds

(1) Risk analysis

a. 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.

b. Liquidity risks

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

c. 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.

d. 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.

LETTER FROM THE BOARD

(2) Risk control measures

- a. The Company has formulated Venture Capital Investment Management System (《風險投資管理制度》) 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.
- b. The management of the Company 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 Group's lawful trading operation. The Group shall enter into agreements with accurate and clearly defined terms to avoid any possible legal disputes to the extent possible.
- c. The department of the Company 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.
- d. 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.
- e. The audit department of the Company shall be responsible for supervising and inspecting the compliance of the decision-making, management and implementation of derivatives trading made by the Group, 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 Group, and providing information on profit and loss analysis and risk analysis in a timely manner in accordance with the management's requirements.

LETTER FROM THE BOARD

3. Accounting Treatment for the Proposed Derivatives Trading with Self-owned Funds

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.

4. Opinions of the 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 (《風險投資管理制度》) 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. 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 with self-owned funds.

5. Implications under the Listing Rules

The aforesaid resolution is proposed to seek the Shareholders' authorization for the Board to carry out the derivative trading with self-owned funds subject to the conditions set out hereinabove and no legally binding agreements have been entered into as of the Latest Practicable Date. If any derivative trading transaction would constitute a notifiable transaction and/or connected transaction of the Company under Chapter 14 and/or Chapter 14A of the Listing Rules, the Company will comply with the relevant requirements under Chapter 14 and/or Chapter 14A of the Listing Rules as and when appropriate.

The aforesaid resolution has been reviewed and approved by the Board on May 26, 2023, and is now proposed at the AGM for review and approval as a special resolution.

LETTER FROM THE BOARD

III. AGM

The AGM will be held as originally scheduled at 9:00 a.m. on Friday, June 29, 2023 at the 4th Floor, R&D Building at the Company's Headquarter, Longteng Road, Economic Development Zone, Xinyu, Jiangxi Province, the PRC. A supplemental notice of the AGM is set out on pages 11 and 12 of this supplemental circular.

The proposed resolution regarding the proposed derivatives trading with self-owned funds is subject to the approval by way of special resolution of the Shareholders at the AGM pursuant to the Articles of Association, which must be passed by two-thirds or more than two-thirds of the total number of Shares with valid voting rights held by Shareholders attending the meeting.

Pursuant to the 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 in the manner prescribed under the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders will be required to abstain from voting on the resolutions set out in this supplemental circular.

Save as supplemented by this supplemental circular and the supplemental notice of the AGM, there is no change to other information as set out in the Previous Circular and the notice of the AGM dated May 19, 2023. Please refer to the original notice for details in respect of the other resolutions to be considered and approved at the AGM, eligibility for attending the AGM, registration procedures, closure of register of members and other relevant matters.

LETTER FROM THE BOARD

IV. PROXY ARRANGEMENT

A supplemental proxy form for the AGM is enclosed with this supplemental circular. The proxy form issued by the Company along with the Previous Circular (the “**Previous AGM Proxy Form**”) will remain valid and effective to the fullest extent applicable if correctly completed and lodged with the H share registrar of the Company.

For H Shareholders, whether or not you are able to attend the AGM in person, you are requested to complete the Previous AGM Proxy Form and the supplemental proxy form for the AGM in accordance with the instructions printed thereon, and return it to the Company’s H share registrar in Hong Kong, Computershare Hong Kong Investors Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 24 hours before the time appointed for holding the AGM (i.e. not later than 9:00 a.m. on Wednesday, June 28, 2023) or any adjournment thereof. Completion and return of the Previous AGM Proxy Form and the supplemental proxy form for the AGM will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

The supplemental proxy form for the AGM is applicable to the supplemental resolution as set out in the supplemental notice of the AGM dated June 14, 2023 and supplements the Previous AGM Proxy Form. The supplemental proxy form for the AGM will not affect the validity of the Previous AGM Proxy Form duly completed by you in respect of the resolutions set out in the notice of the AGM dated May 19, 2023. If you have validly appointed a proxy to attend the AGM but have not completed and returned the supplemental proxy form for the AGM, your proxy will be entitled to vote at his/her discretion on the resolution set out in the supplemental notice of the AGM dated June 14, 2023.

Shareholders are entitled to appoint one or more proxies to attend the AGM, but only one of the proxies can be designated to vote at the AGM. For the avoidance of doubt, should the proxies being appointed to attend the AGM under each of the Previous AGM Proxy Form and/or the supplemental proxy form for the AGM are different and more than one of the proxies attend the AGM, only the proxy validly appointed under the Previous AGM Proxy Form shall be designated to vote at the AGM.

LETTER FROM THE BOARD

V. RECOMMENDATION

The Board considers that the proposed resolution set out above is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that Shareholders eligible to vote at the AGM to attend and vote in favor of the resolution.

VI. RESPONSIBILITY STATEMENT

This supplemental circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this supplemental 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 supplemental circular misleading.

Yours faithfully

For and on behalf of the Board

GANFENG LITHIUM GROUP CO., LTD.

LI Liangbin

Chairman

SUPPLEMENTAL NOTICE OF THE 2022 AGM

赣锋锂业
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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)
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SUPPLEMENTAL NOTICE OF THE 2022 AGM

Reference is made to the circular (the “**Circular**”) and the notice (the “**Notice**”) of the 2022 annual general meeting (the “**AGM**”) of Ganfeng Lithium Group Co., Ltd. (the “**Company**”) dated May 19, 2023, which set out the details of the resolutions to be proposed at the AGM for shareholders’ approval.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the AGM will be held as originally scheduled at 9:00 a.m. on Thursday, June 29, 2023 at the 4th Floor, R&D Building at the Company’s Headquarter, Longteng Road, Economic Development Zone, Xinyu, Jiangxi Province, the People’s Republic of China for the purpose of considering and, if thought fit, pass the following resolutions in addition to the resolutions set out in the Notice:

SPECIAL RESOLUTION

- Proposed derivatives trading with self-owned funds.

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

June 14, 2023

As at the date of this supplemental 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; Ms. YANG Juan and Mr. YU Jianguo as non-executive directors of the Company; and Mr. Wang Jinben, Ms. WONG Sze Wing, Mr. XU Guanghua and Ms. XU Yixin as independent non-executive directors of the Company.

SUPPLEMENTAL NOTICE OF THE 2022 AGM

Notes:

- (A) Details of the above resolution are set out in the supplemental circular of the Company dated June 14, 2023 (the “**Supplemental Circular**”). Unless otherwise defined in this supplemental notice of the 2022 AGM, capitalized terms used in this supplemental notice of the 2022 AGM shall have the same meanings as those defined in the Supplemental Circular.
- (B) A supplemental proxy form (the “**Supplemental AGM Proxy Form**”) for the AGM containing the resolution mentioned above is enclosed with the Supplemental Circular. The proxy form dated May 19, 2023 issued by the Company for the AGM along with the Circular (the “**AGM Proxy Form**”) will remain valid and effective to the fullest extent applicable if correctly completed and lodged with the H share registrar of the Company.
- (C) Shareholders are entitled to appoint one or more proxies to attend the AGM, but only one of the proxies can be designated to vote at the AGM. For the avoidance of doubt, should the proxies being appointed to attend the AGM under each of the AGM Proxy Form and/or the Supplemental AGM Proxy Form are different and more than one of the proxies attend the AGM, only the proxy validly appointed under the AGM Proxy Form shall be designated to vote at the AGM.
- (D) To be valid, the Supplemental AGM Proxy Form together with the power of attorney (if any) and other relevant authorization document(s) (if any) which have been notarized shall be deposited at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at the address stated in note (E) below, not less than 24 hours before the time designated for the AGM. Completion and return of the Supplemental AGM Proxy Form will not preclude the holders of H shares from attending and voting at the AGM or any adjourned meeting should they so wish.
- (E) The address and contact details of the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, are as follows:
- 17M Floor
Hopewell Centre
183 Queen’s Road East
Wanchai
Hong Kong
Telephone No.: (+852) 2862 8555
Email: hkinfo@computershare.com.hk
- (F) 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 authorized 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).
- (G) 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.
- (H) As at the date of this supplemental 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; Ms. YANG Juan and Mr. YU Jianguo as non-executive directors of the Company; and Mr. Wang Jinben, Ms. WONG Sze Wing, Mr. XU Guanghua and Ms. XU Yixin as independent non-executive directors of the Company.