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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)

UPDATE 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**”).

References are made to the announcements of the Company dated December 7, 2022 and December 28, 2022 (the “**Announcements**”) in relation to Mr. Li Liangbin, an executive director of the Company and the chairman of the board of directors of the Company. Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

UPDATE ON THE INVESTIGATION

The Company would like to update the shareholders of the Company in respect of the matter as follows:

On July 5, 2024, the Company received the Written Decision on Administrative Penalty ([2024] No. 2) (《行政處罰決定書》([2024]2號)) (the “**Written Decision**”) issued by the Jiangxi Supervision Bureau (the “**Supervision Bureau**”) of the China Securities Regulatory Commission (the “**CSRC**”).

Further to the issue of the Notice on December 6, 2022, at the request of Mr. Li, a hearing had been held on January 4, 2023 to hear from the relevant parties and their respective representatives to state and defend the case. Subsequent to the hearing, the Supervision Bureau conducted additional investigations and invited the parties to re-examine the papers. The parties submitted additional defense. Thereafter, the Supervision Bureau concluded its investigation and the hearing.

As stated in the Written Decision, the Supervision Bureau is of the opinion that the Company is suspected of violating the provisions of Article 53(1) of the Securities Law and the relevant acts constitute insider trading acts as described in Article 191(1) of the Securities Law.

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 Supervision Bureau decided 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.

According to the Written Decision, in case the relevant parties have any objections to the Written Decision, they can apply for administrative reconsideration to the CSRC within 60 days from the date of receipt of the Written Decision, or initiate an administrative litigation to a competent people's court within six months from the date of receipt of the Written Decision. The enforcement of the Written Decision will not be suspended during the reconsideration and the litigation.

For further details in respect of the Written Decision, please refer to the overseas regulatory announcement of the Company dated July 7, 2024.

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.

BOARD'S ASSESSMENT ON MR LI'S SUITABILITY TO ACT AS A DIRECTOR

Upon receiving the Written Decision, the Board (with the abstention of Mr. Li to avoid any potential conflict of interests) assessed Mr. Li's suitability to act as a director of the Company (a "**Director**") and considers that notwithstanding the Written Decision, Mr. Li is still suitable to act as a Director under Rules 3.08 and 3.09 of the Listing Rules, for the reasons set out below:

- (a) to the best knowledge, information and belief of the Directors, there is nothing in the Supervision Bureau's fact-finding which implicate that the incident involved any dishonest or fraudulent act or indicate any issue of integrity or bad character on the part of Mr. Li, which would materially and adversely affect Mr. Li's suitability to act as a Director;
- (b) to the best knowledge, information and belief of the Directors and as confirmed by Mr. Li, save for the Written Decision, Mr. Li has no previous record of any other administrative penalties imposed by the CSRC and other regulatory authorities in the PRC (including Hong Kong). Mr. Li has not been subject to any other administrative penalties since his appointment as a Director in 2007;
- (c) Mr. Li has undertaken to participate in training in the area of relevant laws in relation to insider trading, and will continue to participate in continuous professional development training programmes, in particular those relating to insider trading, in accordance with Code Provision C.1.4 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules; and
- (d) Mr. Li has extensive industry experience and performs well in the discharge of his duty as a Director. He is familiar with the Group's operation and plays the key role in the Group's development and business expansion. It is considered that his background, skills, professionalism and experience would bring valuable insights and benefits to the Board and the Group. Save for the incident, Mr. Li has proven himself to be a responsible and competent member of the Board who has acted honestly and in good faith in the interests of the Company as a whole and for a proper purpose since his appointment in 2007.

On the above basis, the Board (with the abstention of Mr. Li) is of the view that Mr. Li is still suitable to act as a Director under Rules 3.08 and 3.09 of the Listing Rules.

INTERNAL CONTROL

In view of the incident, the Company has taken further steps to enhance its internal control to avoid reoccurrence of similar incidents in the future, including but not limited to establishing the Investment Decision Committee, amending the External Investment Management System and requiring clearance from the Investment Decision Committee before the Group engages in any significant investment decisions involving publicly traded securities. The Investment Decision Committee consists of the chairman of the Board, the general manager of the Company, the secretary to the Board and internal technical, financial, legal and other professionals appointed by the Board related to the Company's business. The Company implements a professional management and tiered approval system for its external investments. The shareholders of the Company, the Board, the Investment Decision Committee and the management of the Company shall make decisions on the Company's external investments within the scope of their respective authority.

IMPACT ON THE COMPANY

The investigation and trial of the case have now been completed. Based on the circumstances identified in the Written Decision, the Written Decision has not triggered mandatory delisting for material violation of laws as stipulated in Articles 9.5.1, 9.5.2 and 9.5.3 of the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange. As at the date of this announcement, the operations of the Company are normal. The Company hereby expresses its sincere apologies to the investors and the understanding and forgiveness of the investors are appreciated. The Company will learn from the lessons, strengthen the structure of its internal corporate governance, strictly comply with the relevant laws and regulations and comprehensively enhance the level of compliance management and internal control to avoid the reoccurrence of similar incidents.

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

Jiangxi, PRC
July 7, 2024

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.