

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**Ganfeng Lithium Co., Ltd.**

**江西赣锋锂业股份有限公司**

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

(Stock Code: 1772)

## **ANNOUNCEMENT ON IMPLEMENTING THE REDEMPTION OF GANFENG CONVERTIBLE BONDS**

As approved by the China Securities Regulatory Commission (Zheng Jian Xu Ke [2017] No. 2049), Ganfeng Lithium Co., Ltd (the "**Company**") publicly issued 9.28 million A share convertible corporate bonds (the "**Convertible Bonds**") on December 21, 2017 with nominal value of RMB100 each and an aggregate amount of RMB928 million. The bond short name is "Ganfeng Convertible Bonds" and bond code is 128028. The term of the Convertible Bonds is 6 years and conversion period commenced from June 27, 2018, with initial conversion price at RMB71.89 per share.

On May 18, 2018, for the grant and registration of the reserved restricted shares under 2017 restricted share incentive scheme, the conversion price was adjusted to RMB71.82 per share; on May 29, 2018, for the implementation of 2017 annual profit distribution proposal, the conversion price was adjusted to RMB47.61 per share; on October 12, 2018, 200,185,800 overseas-listed foreign shares (H shares) were issued by the Company, the conversion price was adjusted to RMB42.58 per share; on July 26, 2019, for the implementation of 2018 annual profit distribution proposal, the conversion price was adjusted to RMB42.28 per share; on July 22, 2020, for the implementation of 2019 annual profit distribution proposal, the conversion price was adjusted to RMB41.98 per share; on October 13, 2020, 40,037,000 H shares were newly issued by the Company, the conversion price was adjusted to RMB41.68 per share.

According to the Offering Memorandum in Relation to the Public Issuance of the Convertible Corporate Bonds of the Company (《江西贛鋒鋰業股份有限公司公開發行可轉換公司債券募集說明書》) (the “**Bond Offering Memorandum**”), during the conversion period of the Convertible Bonds, if the closing prices of the A shares of the Company in at least 15 trading days out of 30 consecutive trading days are equal to or higher than 130% of the prevailing conversion price, the Company shall have the right to redeem all or any part of the outstanding Convertible Bonds which have not been converted into shares, at a price equal to the nominal value of the Convertible Bonds plus the interest accrued.

Furthermore, if the aggregate nominal value of the outstanding Convertible Bonds that have not been converted into shares is lower than RMB30 million, the board of directors of the Company is entitled to redeem all outstanding Convertible Bonds which have not been converted into shares at a price equal to the nominal value of the outstanding Convertible Bonds plus the interest accrued.

Given that the closing price of the A shares of the Company from January 4, 2021 to January 22, 2021 is not less than 130% (i.e., RMB54.18 per share) of the prevailing conversion price of the Ganfeng Convertible Bonds (RMB41.68 per share) for 15 trading days out of 30 consecutive trading days, according to the Bond Offering Memorandum, the redemption provisions of the Convertible Bonds have been triggered. By a resolution of the board of directors of the Company, it was resolved that the Company would exercise its right of early redemption of the Convertible Bonds to redeem all outstanding Ganfeng Convertible Bonds which appear on the register of bonds on the redemption record date.

In accordance with the relevant provisions in the Measures for the Administration of Issuance of Securities by Listed Companies, the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange and the Bond Offering Memorandum, the Company hereby announces certain matters relating to the redemption to the holders of the Ganfeng Convertible Bonds as set out below.

## **1. REDEMPTION PROVISIONS**

The details of the terms relating to the conditional redemption provisions stated in the Bond Offering Memorandum are as follows:

During the conversion period of the Convertible Bonds, if the closing price of the A shares of the Company for at least 15 trading days out of 30 consecutive trading days is not less than 130% (including 130%) of the prevailing conversion price, the Company shall have the right to redeem all or any part of the outstanding Convertible Bonds which have not been converted into shares, at a price equal to the par value of the Convertible Bonds plus the accrued interest for the current period.

The formula for calculating the accrued interest for the current period is:

$$IA = B \times i \times t/365$$

IA : means accrued interest for the current period;

B : means the total par value of the Convertible Bonds held by the holders of the Convertible Bonds;

i : means the interest rate of the Convertible Bonds on the current year;

t : means the actual number of calendar days calculated from the last interest payment date to the redemption date of the current year (inclusive of the first day but exclusive of the last day).

Further, when the total par value of the outstanding Convertible Bonds is less than RMB30 million, the board of directors of the Company is entitled to redeem all outstanding Convertible Bonds at par value of the Convertible Bonds plus accrued interest for the current period.

## **2. MATTERS RELATED TO THE REDEMPTION OF THE CONVERTIBLE BONDS**

### **(i) Redemption Conditions**

As the closing price of the A shares of the Company from January 4, 2021 to January 22, 2021 is not less than 130% (i.e., RMB54.18 per share) of the prevailing conversion price (RMB41.68 per share) for 15 trading days out of 30 consecutive trading days, the redemption provisions of the Ganfeng Convertible Bonds have been triggered in accordance with the Bond Offering Memorandum.

### **(ii) Redemption Record Date**

The target of the current redemption is all holders of the Ganfeng Convertible Bonds which appear on the register of bonds at the China Securities Depository Clearing Corporation Limited Shenzhen Branch (the “**CSDC Shenzhen Branch**”) after trading hours of the Shenzhen Stock Exchange on March 5, 2021.

### **(iii) Redemption Price**

According to the conditional redemption provisions stated in the Bond Offering Memorandum, the redemption price is RMB100.21 per bond.

The formula for calculating the accrued interest for the current period is:

$$IA = B \times i \times t/365$$

IA : means accrued interest for the current period;

B : means the total par value of the Convertible Bonds held by the holders of the Convertible Bonds: RMB100 per bond;

i : means the interest rate of the Convertible Bonds on the current year: 1.0%;

t : means the actual number of calendar days calculated from the last interest payment date (December 21, 2020) to the redemption date of the current year (March 8, 2021) (inclusive of the first day but exclusive of the last day).

The accrued interest for the current period  $IA = B \times i \times t/365 = 100 \times 1.0\% \times 77/365 = \text{RMB}0.21$  per bond.

The redemption price for onshore individual investors and securities investments funds is RMB100.17 per bond after deduction of withholding income tax; Qualified foreign institutional investors (QFII) are temporarily exempt from corporate income tax and value-added tax according to regulations, the redemption price for qualified foreign institutional investors (QFII) is RMB100.21 per bond; the Company shall not deduct any withholding income tax for other investors not aforementioned and the actual redemption price for such investors is RMB100.21 per bond. The redemption price after tax deduction is subject to the price approved by CSDC Shenzhen Branch.

#### **(iv) Redemption Procedures**

Prior to the end of the redemption period of the Ganfeng Convertible Bonds, the Company will issue at least three reminder announcements via the designated media of the China Securities Regulatory Commission (“CSRC”) selected by the Company, notifying the holders of the Ganfeng Convertible Bonds regarding various matters of the redemption.

Once the Company exercises its right of redemption, all Ganfeng Convertible Bonds registered at the CSDC Shenzhen Branch will be frozen starting from the next trading day (March 8, 2021) after the redemption record date.

At the end of the redemption, the Company will announce the redemption results and the impact of the redemption in the designated media of the CSRC.

**(v) Redemption Payment Date: March 15, 2021**

The Company will appoint CSDC Shenzhen Branch to distribute, through CSDC Shenzhen Branch's settlement system, the redemption payments to the holders of the Ganfeng Convertible Bonds who appear on the register of bonds on the redemption record date and have carried out the designated transactions with the member units of the Shenzhen Stock Exchange, and to make corresponding reductions in the amount of the Ganfeng Convertible Bonds held by such holders. Holders who have carried out comprehensive designated transactions can receive their redemption payments on the redemption payment date at the designated securities business department. The redemption payments of the holders who have not yet carried out comprehensive designated transactions will be temporarily held by the CSDC Shenzhen Branch and will be distributed once the designated transactions have been made by the relevant holders.

**(vi) Trading and Conversion into Shares**

Starting from the next trading day (March 8, 2021) after the redemption record date, the Ganfeng Convertible Bonds shall cease to be traded or converted. After the completion of the early redemption, the Ganfeng Convertible Bonds will be delisted from the Shenzhen Stock Exchange.

The shares applied for conversion by holders must be round shares. If the balance of convertible bonds is less than one share at the time of conversion, the Company shall, in accordance with the relevant regulations of the Shenzhen Stock Exchange and other authorities, redeem the balance of the part of the convertible bond and the current accrued interest corresponding to the balance within five trading days after the date of the conversion applied by the bondholder.

### 3. ENQUIRY INSTITUTION

Ganfeng Lithium Co., Ltd

Tel: 0790-6415606

Email address: tanqian@gtthfkjgfyxgs.com

Address: Longteng Road, Economic Development Zone, Xinyu, Jiangxi Province, PRC

By order of the Board  
**Ganfeng Lithium Co., Ltd**  
**Li Liangbin**  
*Chairman*

Jiangxi, PRC  
January 22, 2021

*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 Juanjuan as non-executive directors of the Company; and Mr. LIU Jun, Ms. WONG Sze Wing, Ms. XU Yixin and Mr. XU Guanghua as independent non-executive directors of the Company.*