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赣锋锂业
GanfengLithium

Ganfeng Lithium Co., Ltd.
江西贛鋒鋰業股份有限公司

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

(Stock Code: 1772)

PLACING OF NEW H SHARES UNDER GENERAL MANDATE

Placing Agents

CITIC SECURITIES BofA SECURITIES

On September 16, 2020, the Company entered into the Placing Agreement with the Placing Agents in relation to the Placing, on a best efforts basis, of 40,037,000 new H Shares at the Placing Price of HK$36.35 per H Share.

The Placing Shares represent approximately 20.00% and 3.10%, respectively, of the total existing issued H Shares as at the date of this announcement and the total existing issued share capital of the Company as at the A Share Latest Practicable Date, and approximately 16.67% and 3.00%, respectively, of the total issued H Shares and the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Agents will, on a best efforts basis, place the Placing Shares to no less than six Placees, who will be professional, institutional or other investors, during the Placing Period subject to the terms and conditions set out in the Placing Agreement.

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK$1,455 million and the aggregate net proceeds (after deducting all applicable costs and expenses, including commission and legal fees) from the Placing are expected to be approximately HK$1,448 million. The Company intends to use the net proceeds from the Placing for capacity expansion construction, research and development expenses, existing debt repayment, potential investment, replenishment of working capital and general corporate purposes. Capacity expansion construction is mainly involved in the offshore lithium resources projects of the Company. Potential investment of the lithium resources may include ores, brine, lithium clay, etc. The Company plans to use the net proceeds in the following one to two years.

The Placing Shares will be allotted and issued by the Company under the General Mandate.

Since completion of the Placing is subject to the satisfactions of certain conditions mentioned herein, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares and other securities of the Company.

On September 16, 2020, the Company entered into the Placing Agreement with the Placing Agents in relation to the Placing, on a best efforts basis, of 40,037,000 new H Shares at the Placing Price of HK$36.35 per H Share.

THE PLACING AGREEMENT

Date

September 16, 2020

Parties

(1) the Company; and

(2) CLSA Limited and Merrill Lynch (Asia Pacific) Limited as the Placing Agents.

Placing

Pursuant to the Placing Agreement, the Placing Agents have severally (but not jointly nor jointly and severally) agreed to act as the agents of the Company to procure (either by themselves or through their respective affiliates or through their respective sub-placing agents) subscribers on a best efforts basis to subscribe for an aggregate of 40,037,000 new H Shares at the Placing Price during the Placing Period subject to the terms and conditions set out in the Placing Agreement.

The Placees

The Placing Agents will, on a best efforts basis, place the Placing Shares to no less than six Placees, who will be professional, institutional or other investors. The choice of the Placees for the Placing Shares shall be determined by the relevant Placing Agent after consultation with the Company, subject to the requirements of the Listing Rules and in particular, each Placing Agent shall use its reasonable endeavours, based on information available to such Placing Agent, information provided by the Company and/or confirmations from the Placees procured by such Placing Agent, to ensure that each Placee procured by such Placing Agent is not a connected person of the Company. It is expected that none of the individual Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the completion of the Placing.

Number of Placing Shares

The Placing Shares represent approximately 20.00% and 3.10%, respectively, of the total existing issued H Shares as at the date of this announcement and the total existing issued share capital of the Company as at the A Share Latest Practicable Date, and approximately 16.67% and 3.00%, respectively, of the total issued H Shares and the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares will be RMB40,037,000.

Placing Price

The Placing Price of HK$36.35 per Placing Share represents:

(1) a discount of approximately 9.13% to the closing price of HK$40.00 per H Share as quoted on the Stock Exchange on the Last Trading Day;

(2) a discount of approximately 4.12% to the average closing price of HK$37.91 per H Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day; and

(3) a discount of approximately 6.35% to the average closing price of HK$38.82 per H Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to and including the Last Trading Day.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agents taking into account recent market price of the H Shares and the current market conditions.

The Company and the Placing Agents shall each be responsible for its or their costs and expenses of its and their own legal and other professional advisers and the out-of-pocket expenses incurred in connection with the Placing. The net Placing Price (after deducting all applicable costs and expenses) is approximately HK$36.18 per Placing Share.

Ranking of the Placing Shares

The Placing Shares, when issued pursuant to the Placing Agreement, will be fully paid up and will rank pari passu in all respects with other H Shares then in issue free from any Encumbrance whatsoever and together with all rights attaching thereto as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid, the record date for which falls on or after the date of issue of the Placing Shares, and will be duly listed on the Stock Exchange.

Conditions of the Placing

Completion of the Placing is conditional upon the fulfillment (or, in respect of (iii) to (v), waiver by the Placing Agents) of the following conditions:

(i) all necessary approval and consents from relevant authorities of the PRC (including but not limited to the approval from the CSRC) in connection with the Placing having been obtained and remaining in full force and effect on the Closing Date;

(ii) the Listing Committee granting approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares);

(iii) the Placing Agents receiving on the Closing Date, in form and substance reasonably satisfactory to the Placing Agents, a copy of a Hong Kong legal opinion from the Placing Agents' Hong Kong legal counsel;

(iv) the Placing Agents receiving on the Closing Date, in form and substance reasonably satisfactory to the Placing Agents, a copy of a US legal opinion from the Placing Agents' US legal counsel; and

(v) the Placing Agents receiving on the Closing Date, in form and substance reasonably satisfactory to the Placing Agents, a copy of a PRC legal opinion from the Placing Agents' PRC legal counsel.

If the conditions are not fulfilled or, where applicable, waived by the Placing Agents at or before 8 a.m. (Hong Kong time) on the Closing Date, the Placing Agreement shall terminate and neither the Company nor the Placing Agents shall be liable to the other or have any claim against the other for costs, damages, compensation or otherwise arising under the Placing Agreement save and except for any liability for antecedent breaches of any party to the Placing Agreement or as otherwise stipulated in the Placing Agreement.

Termination

If at any time at or prior to 8 a.m. (Hong Kong time) on the Closing Date, any of the specific events provided in the Placing Agreement, such as any breach of any of the representations, warranties and undertakings by the Company as set out in the Placing Agreement, occurs, then and in any such case, the Placing Agents may terminate the Placing Agreement without liability to the Company by giving oral or written notice to the Company, provided that such notice given on or prior to 8 a.m. (Hong Kong time) on the Closing Date.

Lock-up Undertakings by the Company

The Company undertakes that, save for the issue and allotment of the A Shares pursuant to (i) the conversion of the A-share convertible bonds issued on December 21, 2017 and August 6, 2020, respectively; and (ii) any restricted A-share incentive scheme to be duly adopted and approved by the shareholders and the board of directors of the Company from time to time for the purpose of incentivising employees of the Company and its subsidiaries, for the period commencing from (and including) the date of the Placing Agreement and up to 90 days from (and including) the Closing Date, neither the Company nor any person acting on its behalf will, (a) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any shares of the Company or any interests in the shares of the Company or any securities convertible into or exercisable or exchangeable for or substantially similar to any shares of the Company or interest in the shares of the Company except for the Placing Shares; or (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (a) above; or (c) announce any intention to enter into or effect any such transaction described in (a) or (b) above unless with the prior written consent of the Placing Agents.

Completion of the Placing

Completion of the Placing shall take place on the Closing Date subject to the fulfillment with the provisions of the Placing Agreement.

Effect of Shareholding Structure

Set out below is the shareholding structure of the Company as at the A Share Latest Practicable Date and the H Share Latest Practicable Date (as the case may be) and immediately after completion of the Placing on the Closing Date (assuming that there will be no other changes in the issued share capital of the Company from the date of the Placing Agreement to the completion of the Placing on the Closing Date except for the allotment and issue of the Placing Shares pursuant to the Placing Agreement):

Shareholder	**Number of Shares**	**Approximate percentage of total issued share capital**	**Number of Shares**	**Approximate percentage of total issued share capital**
	As at the A Share Latest Practicable Date		**As at the Closing Date**	
A Shareholders				
– Li Liangbin[(1)]	269,770,452	20.87	269,770,452	20.24
– Other A Shareholders	822,895,092	63.65	822,895,092	61.74
	As at the H Share Latest Practicable Date		**As at the Closing Date**	
H Shareholders				
– Placees	–	–	40,037,000	3.00
– Other H Shareholders	200,185,800	15.48	200,185,800	15.02
Total Issued Shares	1,292,851,344	100.00%	1,332,888,344	100.00%

Note:

(1) Mr. Li Liangbin, the chairman of the Board and the president of the Company, is the beneficial owner of 269,770,452 A Shares. Ms. Huang Rong is the wife of Mr. Li Liangbin and, by virtue of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), is deemed to be interested in the A Shares in which Mr. Li Liangbin is interested.

INDEPENDENCE OF THE PLACING AGENTS

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Placing Agents and its respective ultimate beneficial owners are not a connected person of the Company and are independent of any connected person of the Company.

GENERAL MANDATE TO ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued by the Company pursuant to the General Mandate, under which the Board is authorized to allot, issue and grant H Shares which shall not exceed 20% of the H Shares in issue as at the date on which such resolution was passed at the 2019 annual general meeting of the Company held on June 24, 2020, being 40,037,160 H Shares in total. As at the date of this announcement, the Company has not issued any new H Shares pursuant to the General Mandate. The Placing is not subject to the approval of the Shareholders.

REGULATORY APPROVALS

The Company has obtained all necessary PRC regulatory approvals in respect of the Placing, including the approval from the CSRC.

REASONS FOR AND BENEFITS OF THE PLACING

The Directors consider that the Placing represents an opportunity to raise capital for the Company for its business development and to broaden the Shareholder base of the Company. The Directors consider that the terms of the Placing Agreement were entered into on normal commercial terms after arm's length negotiations and that the terms therein, including but not limited to the Placing Price, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

USE OF PROCEEDS

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK$1,455 million and the aggregate net proceeds (after deducting all applicable costs and expenses, including commission and legal fees) from the Placing are expected to be approximately HK$1,448 million. The Company intends to use the net proceeds from the Placing for capacity expansion construction, research and development expenses, existing debt repayment, potential investment, replenishment of working capital and general corporate purposes. Capacity expansion construction is mainly involved in the offshore lithium resources projects of the Company. Potential investment of the lithium resources may include ores, brine, lithium clay, etc. The Company plans to use the net proceeds in the following one to two years. To the extent that the net proceeds are not immediately required for the above purposes, the Company may hold such funds in short-term deposits or purchase short-term wealth management products so long as it is deemed to be in the best interests of the Company.

EQUITY FUND-RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund-raising activity involving issuing equity securities during the 12 months immediately before the date of this announcement.

APPLICATION FOR LISTING

Application will be made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

Since completion of the Placing is subject to the satisfactions of certain conditions mentioned herein, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares and other securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"A Shareholders"	holders of A Shares
"A Shares"	the ordinary share(s) of the Company, with a nominal value of RMB1.00 each, which are subscribed for in RMB and listed on the Shenzhen Stock Exchange (stock code: 002460)
"A Share Latest Practicable Date"	September 10, 2020, being the latest practicable date for the purpose of ascertaining the number of issued A Shares in this announcement prior to its publication
"Board"	the board of Directors
"Closing Date"	September 23, 2020 or such other date as the Company and the Placing Agents may agree in writing
"Company"	Ganfeng Lithium Co., Ltd. (江西贛鋒鋰業股份有限公司), a joint stock company established in the PRC with limited liability, the A Shares of which and the H Shares of which are listed on the Shenzhen Stock Exchange (stock code: 002460) and on the Main Board of the Stock Exchange (stock code: 01772), respectively
"connected person"	has the meaning ascribed to it under the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of the Company
"Encumbrance"	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having a similar effect to any of the foregoing

"General Mandate"	the general mandate granted by the Shareholders to the Board at the 2019 annual general meeting of the Company held on June 24, 2020
"HK$"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"H Shareholders"	holders of H Shares
"H Shares"	the overseas listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars (stock code: 01772)
"H Share Latest Practicable Date"	the date of this announcement, being the latest practicable date for the purpose of ascertaining the number of issued H Shares in this announcement prior to its publication
"Last Trading Day"	September 15, 2020, being the last trading day prior to the signing of the Placing Agreement
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
"Placee(s)"	any professional, institutional or other investor procured by or on behalf of any Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
"Placing"	the offer by way of a private placing of the Placing Shares by or on behalf of the Placing Agents to the Placees on the terms and subject to the conditions set out in the Placing Agreement
"Placing Agent(s)"	CLSA Limited and Merrill Lynch (Asia Pacific) Limited
"Placing Agreement"	a conditional placing agreement entered into on September 16, 2020 among the Company and Placing Agents in respect of the Placing

"Placing Period"	the period commencing upon the execution of the Placing Agreement and terminating at completion of the Placing on the Closing Date (or such later time and date as the Company and the Placing Agents may agree in writing), unless terminated earlier pursuant to the Placing Agreement
"Placing Price"	HK$36.35 per Placing Share (exclusive of all brokerage, Hong Kong stamp duty, Stock Exchange trading fees and SFC transaction levy)
"Placing Shares"	40,037,000 new H Shares to be allotted and issued by the Company pursuant to the Placing Agreement
"PRC"	the People's Republic of China, and for the purposes of this announcement only and except where the context requires otherwise, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"SFC"	Securities and Futures Commission of Hong Kong
"Share(s)"	A Share(s) and/or H Share(s)
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

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

Jiangxi, the PRC
September 16, 2020

As at the date of this announcement, the Board comprises Mr. LI Liangbin, Mr. WANG Xiaoshen and Ms. DENG Zhaonan 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.