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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)

**FULFILLMENT OF EXERCISE CONDITIONS FOR
SECOND EXERCISE PERIOD OF
THE 2021 SHARE OPTION INCENTIVE SCHEME**

References are made to (i) the announcement of Ganfeng Lithium Group Co., Ltd. (the “**Company**”) dated April 6, 2021; (ii) the circular of the Company dated April 28, 2021 (the “**Circular**”); (iii) the poll results announcement of the Company dated June 4, 2021; (iv) the announcement of the Company dated June 7, 2021; and (v) the announcement of the Company dated May 31, 2022 (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular and the Announcement.

INTRODUCTION

The date of the grant of the Share Options under the 2021 Share Option Incentive Scheme was June 7, 2021. Given that 12 Participants determined by the 2021 Share Option Incentive Scheme resigned due to personal reasons, the Company decided to cancel the qualification of the abovementioned Participants, representing 483 thousand units of Share Options in total. The Company convened the 60th meeting of the fifth session of the Board, at which the adjustments to the Share Options granted under the 2021 Share Option Incentive Scheme were made in accordance with the authorizations delegated to the Board at the 2020 AGM and the Class Meetings. After such adjustments, the number of Participants is adjusted from 400 to 388, and the number of the Share Options granted but not yet being fulfilled the exercise conditions is adjusted from 16,462.95 thousand units to 15,979.95 thousand units. The underlying Shares under the Share Options under the 2021 Share Option Incentive Scheme shall

comprise solely of ordinary A Shares to be issued by the Company to the Participants. Particulars of the allocation of the Share Options granted to the Participants are as follows:

No.	Name	Position(s)	Number of the Share Options to be granted (in 10,000 Shares)	Exercisable number (in 10,000 Shares)	Percentage of exercisable number to current total share capital of the Company
1	Deng Zhaonan	Executive Director	28	7	0.0035%
2	Shen Haibo	Executive Director and vice president	28	7	0.0035%
3	Ouyang Ming	Vice president	28	7	0.0035%
4	Xu Jianhua	Vice president	28	7	0.0035%
5	Huang Ting	Vice president and financial director	12.6	3.15	0.0016%
6	Fu Lihua	Vice president	21	5.25	0.0026%
7	Xiong Xunman	Vice president	21	5.25	0.0026%
8	Luo Guanghua	Vice president	11.2	2.8	0.0014%
380 core management and core technical or business personnel			<u>1,952.86</u>	<u>488.215</u>	<u>0.2421%</u>
Total (388)			<u><u>2,130.66</u></u>	<u><u>532.665</u></u>	<u><u>0.2641%</u></u>

FULFILLMENT OF EXERCISE CONDITIONS FOR SECOND EXERCISE PERIOD OF THE 2021 SHARE OPTION INCENTIVE SCHEME

The maturity of vesting period

The Vesting Period for the Share Options under the 2021 Share Option Incentive Scheme shall commence from the date of grant of the Share Options and end on the first Exercisable Date of the Share Options. The Vesting Periods of the Share Options are 12 months, 24 months, 36 months and 48 months, respectively.

Pursuant to the terms of the 2021 Share Option Incentive Scheme, the Exercise Period and exercise arrangements in relation to each tranche of the Share Options granted are as follows:

Exercise arrangement	Exercise time	Exercise proportion
First Exercise Period	Commencing from the first trading day upon the expiry of 12 months from the Grant Date to the last trading day upon the expiry of 24 months from the Grant Date	25%
Second Exercise Period	Commencing from the first trading day upon the expiry of the 24 months from the Grant Date to the last trading day upon the expiry of 36 months from the Grant Date	25%
Third Exercise Period	Commencing from the first trading day upon the expiry of the 36 months from the Grant Date to the last trading day upon the expiry of 48 months from the Grant Date	25%
Fourth Exercise Period	Commencing from the first trading day upon the expiry of the 48 months from the Grant Date to the last trading day upon the expiry of 60 months from the Grant Date	25%

As the Share Options were granted on June 7, 2021, the second Vesting Period of the Share Options granted will be matured on June 6, 2023. Therefore, the second Exercise Period of the Share Options granted shall commence from June 7, 2023 to June 6, 2024.

The fulfillment of exercise conditions

Pursuant to the relevant terms of the 2021 Share Option Incentive Scheme and the Administrative Measures, Share Options granted to the Participants are able to be exercised upon the fulfilment of the following conditions during the Exercise Period:

1. *There is no occurrence of any of the following events on the part of the Company:*

- ① issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
- ② issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
- ③ failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
- ④ prohibition from the implementation of a share incentive by laws and regulations; or
- ⑤ other circumstances determined by the CSRC.

2. *There is no occurrence of any of the following events on the part of the Participants:*

- ① he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
- ② he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
- ③ he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access to market in the last 12 months due to material noncompliance of laws or regulations;
- ④ he or she is prohibited from acting as a Director or a member of the senior management of the Company as required by the Company Law;
- ⑤ he or she is prohibited from participating in the share incentive of listed companies as required by laws and regulations; or
- ⑥ he or she is under other circumstances determined by the CSRC.

3. *Performance assessment at company level*

Exercise period	Targets of performance assessment
First Exercise Period	The net profit growth rate of 2021 shall be no less than 380% based on the net profit of 2020;
Second Exercise Period	The net profit growth rate of 2022 shall be no less than 520% based on the net profit of 2020;
Third Exercise Period	The net profit growth rate of 2023 shall be no less than 620% based on the net profit of 2020;
Fourth Exercise Period	The net profit growth rate of 2024 shall be no less than 730% based on the net profit of 2020.

The “net profit” and net profit growth rate mentioned above refer to the net profit attributable to the Shareholders of the Company after deducting non-recurring profit or loss, with the net profit excluding the share-based payments incurred by the Company’s implementation of the 2021 Share Option Incentive Scheme as the calculation basis.

The net profit growth rate of the Company for 2022 is 4,941.11%, thus the performance target of the Company for the second Exercise Period was fulfilled.

4. *Performance assessment at segment or subsidiary level*

Assessment results	Actual fulfillment of performance commitment	Method for exercise of Share Options
Fulfilled	$P \geq 100\%$	All the Share Options which are to be exercised by the Participants in the segment/subsidiary for the period can be exercised
	$80\% \leq P < 100\%$	“80% of the Share Options which are to be exercised by the Participants in the segment/subsidiary for the period” can be exercised and the remaining shall be canceled by the Company
Not fulfilled	$P < 80\%$	None of the Share Options which are to be exercised by the Participants in the segment/subsidiary for the period can be exercised and all of them shall be cancelled by the Company

In the second Exercise Period, the segment or subsidiary to which the Participants belong have fulfilled the performance commitment to the Company, and the sector or subsidiary level meets the performance assessment.

5. *Performance assessment at individual level*

Assessment results(S)	$S \geq 80$	$80 > S \geq 70$	$70 > S \geq 60$	$S < 60$
Standard quota	1.0	0.9	0.8	0

Number of Share Options a Participant actually exercises for a particular year = Number of Share Options the Participant plans to exercise for the year \times exercise proportion.

388 Participants have reached the performance requirements at individual level and have fulfilled the conditions for the exercising of the second tranche of Share Options granted for the second Exercise Period.

In light of the above, subject to there being no circumstances which would prohibit vesting having occurred as of the end date of the second vesting period, the exercise conditions for the second Exercise Period of Share Options granted have been fulfilled and a total of 5,326,650 units of Share Options will become exercised to 388 Participants during the second Exercise Period. Such Share Options shall only be exercised by the Participants within the Exercise Periods. If the Share Options are not exercised within the Exercise Periods, such Share Options shall be cancelled by the Company.

OPINION OF THE INEDS

The independent non-executive Directors of the Company (the “**INEDs**”) had formed the following independent opinion:

The exercise complies with the Administrative Measures and the 2021 Share Option Incentive Scheme for the implementation occurrence. The Company is qualified to implement the Share Option Incentive Scheme, and there is no occurrence that the options are not allowed to be exercised as stipulated in the incentive scheme. Except for the resigned Participants who cannot exercise the option, the other Participants meet the conditions specified in relevant laws, regulations and regulatory documents such as the Administrative Measures and the 2021 Share Option Incentive Scheme. The exercise qualification of the Participants is legal and effective and will not cause any prejudice to the interests of the Company and the Shareholders as a whole, especially small and medium Shareholders.

Therefore, the INEDs unanimously agreed that the 388 Participants could exercise in the second Exercise Period of the 2021 Share Option Incentive Scheme.

EXAMINATION OPINION FROM THE SUPERVISORY COMMITTEE

After review, the board of supervisors of the Company believes that the exercise conditions for the second Exercise Period of the 2021 Share Option Incentive Scheme have been fulfilled in accordance with the relevant provisions of the Administrative Measures and the 2021 Share Option Incentive Scheme, as well as the authorizations delegated at the 2020 AGM and the Class Meetings to the Board. Therefore, the board of supervisors of the Company unanimously agreed that the Company shall handle relevant matters of exercise to Participants who fulfilled the exercise conditions.

LEGAL OPINION FROM THE PRC COUNSEL OF THE COMPANY

The PRC Counsel of the Company believes that the exercise of the Share Options has obtained necessary authorization and approval at this stage, which complies with the provisions of the Management Measures and the 2021 Share Option Incentive Scheme; the exercise of the Share Options has fulfilled the exercise conditions of the 2021 Share Option Incentive Scheme. The Company still needs to perform the obligation of information disclosure in a timely manner on this exercise of the Share Options and handle relevant procedures in accordance with the provisions of relevant laws and regulations and the 2021 Share Option Incentive Scheme.

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

Jiangxi, PRC
May 12, 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.