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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)

(Stock Code: 1772)

FULFILLMENT OF EXERCISE CONDITIONS FOR FIRST EXERCISE PERIOD OF THE 2022 SHARE OPTION INCENTIVE SCHEME

References are made to (i) the announcement of Ganfeng Lithium Group Co., Ltd. (the “**Company**”) dated May 25, 2022; (ii) the circular of the Company dated August 5, 2022 (the “**Circular**”); (iii) the poll results announcement of the Company dated August 25, 2022; and (iv) the announcement of the Company dated September 5, 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 2022 Share Option Incentive Scheme was September 5, 2022, pursuant to which 2,891,000 units of Share Options were granted to 110 Participants at the then exercise price of RMB84.90 per unit. On the 66th meeting of the fifth session of the Board dated August 21, 2023, pursuant to the relevant proposals approved by the Board, 189,000 units of Share Options granted have been cancelled. The number of Participants is adjusted from 110 to 105, and the number of Share Options granted but not yet being exercised is adjusted from

2.8910 million to 2.7020 million. The underlying shares under the 2022 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:

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
105 core management and core technical or business personnel	270.20	67.55	0.0335%
Total(105)	<u>270.20</u>	<u>67.55</u>	<u>0.0335%</u>

FULFILLMENT OF EXERCISE CONDITIONS FOR FIRST EXERCISE PERIOD OF THE 2022 SHARE OPTION INCENTIVE SCHEME

The maturity of Vesting Periods

The Vesting Periods for the Share Options under the 2022 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 2022 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%

Exercise arrangement	Exercise time	Exercise proportion
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 September 5, 2022, the first Vesting Period of the Share Options granted will be matured on September 4, 2022. Therefore, the first Exercise Period of the Share Options granted shall be between September 5, 2023 and September 4, 2024.

The fulfillment of exercise conditions

Pursuant to the relevant terms of the 2022 Share Option Incentive Scheme and the Administrative Measures on Equity Incentives of Listed Companies (the “**Administrative Measures**”), Share Options granted to the Participants are able to be exercised upon the fulfillment 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 non-compliance 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 of 2022 shall be no less than RMB8 billion;
Second Exercise Period	The accumulated net profit from 2022 to 2023 shall not be less than RMB18 billion;
Third Exercise Period	The accumulated net profit from 2022 to 2024 shall not be less than RMB28 billion;
Fourth Exercise Period	The accumulated net profit from 2022 to 2025 shall not be less than RMB38 billion;

The “net profit” mentioned above refer to the net profit attributable to the Shareholders after deducting non-recurring profit or loss, with the net profit excluding the share-based payments incurred by the Company’s implementation of 2022 Share Option Incentive Scheme as the calculation basis.

The net profit of the Company for 2022 is RMB20,276 million, thus the performance target of the Company for the first Exercise Period is 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 canceled by the Company

In the first Exercise Period, the segments or subsidiaries to which the Participants belong have fulfilled the performance commitment to the Company, and the the result of performance assessment has been fulfilled at the segment or subsidiary level.

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.

105 Participants have reached the performance requirements at individual level and have fulfilled the conditions for the exercising of the first tranche of Share Options granted for the first 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 first vesting period, the exercise conditions for the first Exercise Period of Share Options granted have been fulfilled and a total of 675,500 units of Share Options will become exercised to 105 Participants during the first 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 INDEPENDENT NON-EXECUTIVE DIRECTORS

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 2022 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 2022 Share Option Incentive Scheme. The exercise qualification of the Participants is legal and effective without any prejudice to the interests of the Company and the Shareholders as a whole, especially the minority Shareholders.

Therefore, the INEDs unanimously agree that the 105 Participants could exercise in the first Exercise Period of the 2022 Share Option Incentive Scheme.

EXAMINATION OPINION FROM THE SUPERVISORY COMMITTEE

Based on the review, the board of supervisors of the Company believes that the exercise conditions for the first Exercise Period of the 2022 Share Option Incentive Scheme have been fulfilled in accordance with the relevant provisions of the Administrative Measures and the 2022 Share Option Incentive Scheme, as well as the authorization delegated at the 2022 second extraordinary general meeting of the Company to the Board. Therefore, the board of supervisors of the Company unanimously agree 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 Share Options of the Company has obtained necessary authorization and approval at this stage, which is complied with provisions of the Management Measures and the 2022 Share Option Incentive Scheme; the exercise of Share Options has fulfilled the exercise conditions of 2022 Share Option Incentive Scheme. The Company still needs to perform the obligation of information disclosure in a timely manner on this exercise of Share Options and handle relevant procedures in accordance with the provisions of relevant laws and regulations and the 2022 Share Option Incentive Scheme.

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

Jiangxi, PRC
August 23, 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.