

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Ganfeng Lithium Group Co., Ltd., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

---

**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)**

- (1) PROPOSED ADOPTION OF  
THE 2023 EMPLOYEE STOCK OWNERSHIP PLAN**
- (2) PROPOSED ADOPTION OF THE MANAGEMENT MEASURES FOR  
THE 2023 EMPLOYEE STOCK OWNERSHIP PLAN**
- (3) PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS  
PERTAINING TO THE 2023 EMPLOYEE STOCK OWNERSHIP PLAN**
- (4) PROPOSED SIGNING OF INVESTMENT AGREEMENT BY  
GANFENG LIENERGY**
- (5) NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

---

A letter from the Board is set out on pages 1 to 12 of this circular.

The notice of the EGM is set out on pages 50 to 52 in this circular. The EGM will be held at the conference room of the Company at 4th Floor, R&D Building at the Company's Headquarter, Longteng Road, Economic Development Zone, Xinyu, Jiangxi Province, PRC on Thursday, November 30, 2023 at 2:00 p.m.

Whether or not you intend to attend the EGM, you are advised to complete and return the enclosed proxy form in respect of the EGM in accordance with the instructions printed thereon as soon as possible and in any event, not less than 24 hours prior to the commencement of such meeting or any adjournments thereof, (i.e., not later than Wednesday, November 29, 2023 at 2:00 p.m. (Hong Kong time)). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish. Shareholders who intend to attend the EGM should also complete and return the reply slip in accordance with the instructions printed thereon.

November 10, 2023

---

## CONTENTS

---

	<i>Pages</i>
<b>DEFINITIONS</b> .....	ii
<b>LETTER FROM THE BOARD</b> .....	1
<b>INTRODUCTION</b> .....	2
<b>I. PROPOSED ADOPTION OF THE 2023 EMPLOYEE STOCK OWNERSHIP PLAN</b> .....	2
<b>II. PROPOSED ADOPTION OF THE MANAGEMENT MEASURES FOR THE 2023 EMPLOYEE STOCK OWNERSHIP PLAN</b> .....	5
<b>III. PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS PERTAINING TO THE 2023 EMPLOYEE STOCK OWNERSHIP PLAN</b> .....	6
<b>IV. PROPOSED SIGNING OF INVESTMENT AGREEMENT BY GANFENG LIENERGY</b> ..	7
<b>V. EGM</b> .....	10
<b>VI. RECOMMENDATION</b> .....	12
<b>APPENDIX I – 2023 EMPLOYEE STOCK OWNERSHIP PLAN (DRAFT)</b> .....	13
<b>NOTICE OF THE EXTRAORDINARY GENERAL MEETING</b> .....	50

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2023 Employee Stock Ownership Plan”	the employee stock ownership plan of the year 2023 proposed to be adopted by the Company at the EGM, the rules of which are set out in Appendix I to this circular
“A Share(s)”	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)
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Company”	Ganfeng Lithium Group Co., Ltd. (江西贛鋒鋰業集團股份有限公司), 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
“Company Law”	Company Law of the People’s Republic of China, as amended from time to time
“Connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 2:00 p.m, on Thursday, November 30, 2023 at the Conference Room, 4th Floor, R&D Building at the Company’s Headquarter, Longteng Road, Economic Development Zone, Xinyu, Jiangxi Province, the PRC
“Ganfeng LiEnergy”	Jiangxi Ganfeng LiEnergy Technology Co., Ltd. (江西贛鋒鋰電科技股份有限公司), a controlled subsidiary of the Company
“Group”	the Company and its subsidiaries

---

## DEFINITIONS

---

“H Share(s)”	shares in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong dollar and listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	November 3, 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC”	the People’s Republic of China, and for the purposes of this circular 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
“Share(s)”	A Share(s) and/or H Share(s)
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

In case of any inconsistency between the Chinese version and the English version of this circular, the English version shall prevail.

---

LETTER FROM THE BOARD

---



**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)**

*Executive Directors:*

Mr. LI Liangbin (*Chairman*)  
Mr. WANG Xiaoshen  
Ms. DENG Zhaonan  
Mr. SHEN Haibo

*Registered Office:*

Longteng Road  
Economic Development Zone  
Xinyu  
Jiangxi Province, PRC

*Non-executive Directors:*

Mr. YU Jianguo  
Ms. YANG Juan

*Principal Place of Business in Hong Kong:*

40/F, Dah Sing Financial Centre  
248 Queen's Road East  
Wanchai  
Hong Kong

*Independent non-executive Directors:*

Mr. WANG Jinben  
Ms. WONG Sze Wing  
Ms. XU Yixin  
Mr. XU Guanghua

November 10, 2023

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED ADOPTION OF  
THE 2023 EMPLOYEE STOCK OWNERSHIP PLAN**
- (2) PROPOSED ADOPTION OF THE MANAGEMENT MEASURES FOR  
THE 2023 EMPLOYEE STOCK OWNERSHIP PLAN**
- (3) PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS  
PERTAINING TO THE 2023 EMPLOYEE STOCK OWNERSHIP PLAN**
- (4) PROPOSED SIGNING OF INVESTMENT AGREEMENT BY  
GANFENG LIENERGY**
- (5) NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

---

# LETTER FROM THE BOARD

---

## INTRODUCTION

The purpose of this circular is to provide you with the relevant information for making informed decisions in respect of the resolutions at the EGM in respect of, among other things, (i) proposed adoption of the 2023 Employee Stock Ownership Plan; (ii) proposed adoption of the management measures for the 2023 Employee Stock Ownership Plan; (iii) proposed authorization to the Board to handle matters pertaining to the 2023 Employee Stock Ownership Plan; and (iv) proposed signing of investment agreement by Ganfeng LiEnergy.

### I. PROPOSED ADOPTION OF THE 2023 EMPLOYEE STOCK OWNERSHIP PLAN

As disclosed in the announcement of the Company dated September 28, 2023, on the meeting of the Board dated September 27, 2023, a resolution regarding the proposed adoption of the Company's 2023 Employee Stock Ownership Plan was considered and approved. According to the Articles of Association, the 2023 Employee Stock Ownership Plan is subject to the consideration and approval of the Shareholders which will be sought at the EGM.

The draft rules of the 2023 Employee Stock Ownership Plan in both English and Chinese version are set out in the appendix to this circular, solely for the purpose of providing information to the Shareholders and the English version of the draft rules is for reference only. Should there be any discrepancies, the Chinese version shall prevail.

Set forth below are the principal terms of the 2023 Employee Stock Ownership Plan:

#### 1. Purpose

In order to establish and improve the benefit sharing mechanism between employees and the Shareholders, improve the corporate governance of the Company, enhance the cohesion of employees and the overall competitiveness of the Company, and ensure the achievement of the Company's future development strategy and business objectives, the Board resolved to the proposed adoption of the 2023 Employee Stock Ownership Plan according to the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》), Guiding Opinions on the Implementation of Pilot Employee Stock Ownership Plan of Listed Companies (《關於上市公司實施員工持股計劃試點的指導意見》), the Shenzhen Stock Exchange Self-discipline Supervisory Guidelines for Listed Companies No. 1 – Main Board Listed Company Standard Operation (《深圳證券交易所上市公司自律監管指引第1號—主板上市公司規範運作》) and other relevant laws and administrative regulations, regulations and normative documents and the Articles of Association.

---

## LETTER FROM THE BOARD

---

### 2. Participants

The participants of the 2023 Employee Stock Ownership Plan are Directors, supervisors, senior management personnels, core management personnels and key employees of the Company who have been playing an important role in and having an influence on the overall performance and medium and long-term development of the Company.

The total number of employees participating in the 2023 Employee Stock Ownership Plan shall not exceed 595 (excluding reserved shares), and the final distribution share and proportion of each participant is subject to the actual distribution.

### 3. Duration

The term of the 2023 Employee Stock Ownership Plan is 72 months, starting from the date when the Company announces the completion of the purchase of the relevant A Shares for the grant of awards under the 2023 Employee Stock Ownership Plan.

### 4. Scheme Limit

The total number of A Shares held under all effective employee stock ownership plans shall not exceed 10% of the total share capital of the Company.

The accumulated Shares held by any participant under all effective employee stock ownership plans shall not exceed 1% of the total share capital of the Company.

### 5. Source of Shares

The source of A Shares of the 2023 Employee Stock Ownership Plan is the A Shares purchased through the secondary market (including but not limited to bidding transactions and block transactions) and other ways as permitted by the relevant laws. No new Shares would be issued pursuant to the 2023 Employee Stock Ownership Plan.

The source of funds for the 2023 Employee Stock Ownership Plan is the special fund set aside by the Company, The special fund is a reward fund that the Company intends to withhold and distribute to the holders of the Employee Stock Ownership Plan. It will be included in the corresponding annual balance sheet of the Company under the item “Staff salaries payable” and belongs to the scope of employee salaries, and the amount of Special Fund to be withheld by the Company shall not exceed 1.56% of the audited net profit attributable to shareholders of the listed company for the year 2022, which is approximately RMB320 million. There is no circumstance where the Company provides financial assistance to employees or provide guarantees for their loans, or where third parties provide incentives, grants and subsidies, and make up the balance to participants.

---

## LETTER FROM THE BOARD

---

### **6. Vesting Period**

The A Shares under the first grant of the 2023 Employee Stock Ownership Plans shall be vested in four batches after 12 months following the date when the purchase of A Shares under the first grant of awards pursuant to the 2023 Employee Stock Ownership Plan is completed, and the reserved awards shall be vested in three batches after 12 months following the date when the purchase of the A Shares under the reserved awards granted pursuant to the 2023 Employee Stock Ownership Plan is completed.

The first grant under the 2023 Employee Stock Ownership Plan shall be vested in four batches as to 25% for each batch, provided that the performance results and personal performance results are achieved in the four fiscal years from 2023 to 2026.

The reserved grant under the 2023 Employee Stock Ownership Plan shall be vested in three batches as to 30%, 30% and 40%, respectively, provided that the performance results and personal performance results are achieved in the three fiscal years from 2024 to 2026.

### **7. Voting Rights**

The holder of the unvested A Shares pursuant to the 2023 Employee Stock Ownership Plan shall abstain from voting on the resolutions that require the Shareholders' approval under the Listing Rules.

### **8. Amendment and termination of the 2023 Employee Stock Ownership Plan**

Within the term of the 2023 Employee Stock Ownership Plan, any amendment thereto shall be passed by more than two-thirds of the units held by the holders of awards attending the holders' meeting and be submitted to the Board for consideration and approval.

The 2023 Employee Stock Ownership Plan shall be terminated automatically if the term of the 2023 Employee Stock Ownership Plan has not been effectively extended after expiration.

The 2023 Employee Stock Ownership Plan may be terminated before the expiry of its term if (i) the lock-up period of the 2023 Employee Stock Ownership Plan expires, (ii) all the A Shares held under the 2023 Employee Stock Ownership Plan are sold or the assets held under the 2023 Employee Stock Ownership Plan are all monetary funds, and (iii) more than two-thirds of the effective units held by the holders of the awards attending the holders' meeting agrees, and (iv) the termination of the 2023 Employee Stock Ownership Plan was considered and approved by the Board.

---

## LETTER FROM THE BOARD

---

If all A Shares have not been sold before the expiry of the term of the 2023 Employee Stock Ownership Plan, the term of the 2023 Employee Stock Ownership Plan may be extended within one month before the expiry of its term as agreed by more than two-thirds of the units held by the holders attending the holders' meeting as well as considered and approved by the Board of the Company.

### **Reasons for and benefits of the adoption of the 2023 Employee Stock Ownership Plan**

Please refer to the section headed "I. PROPOSED ADOPTION OF THE 2023 EMPLOYEE STOCK OWNERSHIP PLAN" in this circular. The Directors are of the view that the adoption of the 2023 Employee Stock Ownership Plan will realize the goals set out in that section, and that the terms of the 2023 Employee Stock Ownership Plan are on normal commercial terms, which are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The independent non-executive Directors have expressed their independent views and approved the proposed adoption of the 2023 Employee Stock Ownership Plan as well.

The resolution is subject to the consideration and approval at the EGM by way of special resolution.

### **Implications under the Listing Rules**

The 2023 Employee Stock Ownership Plan constitutes a share scheme involving existing Shares for the purpose of Chapter 17 of the Listing Rules and no new Shares would be issued pursuant to the 2023 Employee Stock Ownership Plan. Accordingly, the 2023 Employee Stock Ownership Plan shall be subject to the applicable disclosure requirements under Chapter 17 of the Listing Rules.

In addition, if the Company proposes to grant any award(s) under the 2023 Employee Stock Ownership Plan to any participant who is a connected person, such grant would constitute a connected transaction of the Company in accordance with Chapter 14A of the Listing Rules. The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules as and when appropriate.

## **II. PROPOSED ADOPTION OF THE MANAGEMENT MEASURES FOR THE 2023 EMPLOYEE STOCK OWNERSHIP PLAN**

In order to standardize the implementation of the 2023 Employee Stock Ownership Plan and ensure its effective implementation, on the meeting of the Board dated September 27, 2023, a resolution regarding the proposed adoption of the management measures for the 2023 Employee Stock Ownership Plan was considered and approved. According to the Articles of Association, the management measures for the 2023 Employee Stock Ownership Plan is subject to the consideration and approval of the Shareholders which will be sought at the EGM.

---

## LETTER FROM THE BOARD

---

The contents of the management measures for the 2023 Employee Stock Ownership Plan in both English and Chinese version are set out in the sections 2 to 5, 7, 8, 10 and 12 of the 2023 Employee Stock Ownership Plan (Draft) in appendix I to this circular, solely for the purpose of providing information to the Shareholders. Should there be any discrepancies, the Chinese version shall prevail.

The resolution is subject to the consideration and approval at the EGM by way of special resolution.

### **III. PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS PERTAINING TO THE 2023 EMPLOYEE STOCK OWNERSHIP PLAN**

In order to ensure the successful implementation of the 2023 Employee Stock Ownership Plan, the Board proposed that, subject to the approval of the 2023 Employee Stock Ownership Plan by the Shareholders at the EGM, the Shareholders also grant an authorization to the Board to deal with matters in relation to the 2023 Employee Stock Ownership Plan with full authority, including but not limited to:

- 1) authorizing the Board to handle the establishment, revision, and termination of the 2023 Employee Stock Ownership Plan;
- 2) authorizing the Board to make a decision on the extension of the term of the 2023 Employee Stock Ownership Plan and the early termination of the 2023 Employee Stock Ownership Plan;
- 3) authorizing the Board to handle all matters related to the locking and unlocking of the shares purchased under the 2023 Employee Stock Ownership Plan;
- 4) authorizing the Board to explain the draft rules of the 2023 Employee Stock Ownership Plan;
- 5) authorizing the Board to make decisions on the matters related to refinancing, such as the participation in the Company's refinancing plans (if any) during the term of the 2023 Employee Stock Ownership Plan;
- 6) authorizing the Board to change the holders and the vesting criteria of the 2023 Employee Stock Ownership Plan;
- 7) authorizing the Board to sign all agreements and documents related to the implementation and operation of the 2023 Employee Stock Ownership Plan;

---

## LETTER FROM THE BOARD

---

- 8) authorizing the Board to determine or change the intermediary agencies, such as assets management institution and the trustee institution of the 2023 Employee Stock Ownership Plan (if required);
- 9) if the applicable laws, regulations, and policies were changed during the period of implementation of the 2023 Employee Stock Ownership Plan, the Board shall be authorized to make corresponding adjustments and improvements to the 2023 Employee Stock Ownership Plan accordingly;
- 10) authorizing the Board to handle other necessary matters required by the implementation and operation of the 2023 Employee Stock Ownership Plan, except for the rights clearly stipulated in the relevant documents that need to be exercised by the general meetings of the Company.

The above authorizations shall take effect as of the date of approval by the EGM to the date of completion of the implementation of the 2023 Employee Stock Ownership Plan.

#### IV. PROPOSED SIGNING OF INVESTMENT AGREEMENT BY GANFENG LIENERGY

The Board is pleased to announce that on July 20, 2023, it has been agreed that Ganfeng LiEnergy shall sign an investment agreement with People's Government of Tumut Left Banner to invest in the construction of lithium battery production project in Chilechuan Dairy Development Zone. The project will be constructed in two phases, the first phase is to construct a 10GWh annual capacity lithium battery project with no more than RMB6 billion. The second phase will be invested and constructed according to market demand, there is a certain degree of uncertainty. The source of fund for the project is self-raised fund. The management of the Company has been authorized to handle relevant procedures for this investment and sign relevant legal documents.

##### 1. Basic Information of the Investor

Company Name:	Ganfeng LiEnergy Technology Co., Ltd.
Unified social credit code:	91360500576129026E
Address:	2551 Yangguang Avenue, High Tech Development Zone, Xinyu City, Jiangxi Province
Registered capital:	RMB3,003.423 million
Legal representative:	Ge Zhimin (戈志敏)

---

## LETTER FROM THE BOARD

---

Business scope: research and development, production and sales of lithiumion power batteries, fuel cells, and energy storage batteries; research and development, production and sales of super capacitors, battery management system, wind and solar energy storage system, and related equipment and instruments; lithium battery industrial design services; lithium battery technology consulting, promotion and transfer services; self-operated and commissioned import and export business for commodities (operated with license)

Shareholders and shareholding proportion: the Company is the largest shareholder, holding 65.48% of its equity interest.

### 2. The principal terms of the investment agreement

The investment agreement (the “**Agreement**”) is signed by Ganfeng LiEnergy and the People’s Government of Tumut Left Banner. The principal terms of the Agreement are as follows:

Party A: People’s Government of Tumut Left Banner

Party B: Ganfeng LiEnergy Technology Co., Ltd.

#### *(I) Basic information of the project*

- a. Investor: Ganfeng LiEnergy Technology Co., Ltd.
- b. Phase I Project Name: 10GWh annual capacity battery production project
- c. Project location: Chilechuan Dairy Development Zone
- d. Investment amount: The planned investment amount for the phase I of the 10GWh annual capacity battery production project will not exceed RMB6 billion, and the specific investment amount will be subject to the actual investment

---

## LETTER FROM THE BOARD

---

- e. Construction details of the project: Construction of an 10GWh annual capacity battery production project, including the construction of a production workshop, pack workshop, system integration workshop, lithium battery analysis and testing center, lithium battery module and safety testing center, lithium battery research and development center, and other supporting industrial facilities
- f. Source of fund: Self-raised fund
- g. Construction term: Expected construction term of the first phase months

### ***(II) Project land***

The planned land area for the phase I project is approximately 340 mu, and the land for the project is designated for industrial use with a land use right for a term of 50 years, starting from the effective date of the State-owned Land Use Right Transfer Contract (《國有土地使用權出讓合同》) signed between both parties. The land use right of the land for the project shall be acquired through a public bidding process by way of compensated transfer. Party A will list and transfer the land for the project at a starting price based on the current industrial market valuation in Chilechuan Dairy Development Zone, and Party B will acquire the land use right through an open bidding.

### ***(III) Supporting policies***

Party A will provide relevant incentives such as production and operation, project implementation investment, equipment procurement, and talent contribution, to Party B and actively assist Party B in seeking relevant favorable policies from government at all levels, project funding support, and access to the energy storage market within the autonomous region.

### ***(IV) Rights and Obligations***

- a. Party A and its relevant departments shall have the right to supervise and inspect the specific actions of Party B in relation to the implementation of this agreement.
- b. Assist Party B in handling procedures for the utilization of infrastructure such as roads, water supply, rainwater, sewage, electricity, gas, telecommunications, and public transportation.
- c. Party A shall provide a favorable investment environment for the construction and operation of Party B and guarantee the legitimate rights and interests of Party B in accordance with the law.

---

## LETTER FROM THE BOARD

---

- d. Party B shall complete the construction, acceptance, and operation of this project as scheduled in accordance with the construction content, progress, investment intensity, and planning indicators stipulated in this agreement.
- e. Party B shall be responsible for handling relevant approval procedures for state-owned construction land and construction projects in accordance with the law, ensuring that the project meets the relevant requirements such as environmental protection, safety production, fire protection, civil defense, energy consumption, seismic resistance, meteorology and transportation after completion.

### **3. The purpose of the investment and impact on the Company**

The investment will help increase the production scale, market share and research and development capabilities of lithium battery products of the Company, promote the optimization and upgrading of the structure of lithium industry chain of the Company, enhance the core competitiveness of the Company, which is in line with the Company's upstream and downstream integrated development strategy. The project will have a positive impact on the financial position and operating result of the Company.

Pursuant to the Articles of Association, the resolution in relation to the proposed signing of the investment agreement by Ganfeng LiEnergy is subject to the approval of the Shareholders by way of ordinary resolution at the EGM.

The investment agreement is merely proposing an estimate for the investment in the construction of lithium battery production project in Chilechuan Dairy Development Zone and the parties thereto have not decided on any specific transaction to commence the construction project at this stage. The Company will comply with the relevant Listing Rules, including Chapter 14 and Chapter 14A of the Listing Rules, when the Company enters into any specific transaction in relation to the construction project.

### **V. EGM**

The EGM will be convened for the purpose of, among others, considering and, if thought fit, approving (i) proposed adoption of the 2023 Employee Stock Ownership Plan; (ii) proposed adoption of the management measures for the 2023 Employee Stock Ownership Plan; (iii) proposed authorization to the Board to handle matters pertaining to the 2023 Employee Stock Ownership Plan; and (iv) proposed signing of investment agreement by Ganfeng LiEnergy.

The notice of the EGM is set out on pages 50 to 52 of this circular.

---

## LETTER FROM THE BOARD

---

The resolutions put to vote at the EGM will be decided by way of poll as required by the Listing Rules (except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands).

The proposed resolutions regarding (i) proposed adoption of the 2023 Employee Stock Ownership Plan; (ii) proposed adoption of the management measures for the 2023 Employee Stock Ownership Plan; and (iii) proposed authorization to the Board to handle matters pertaining to the 2023 Employee Stock Ownership Plan are subject to the approval of the Shareholders by way of special resolution at the EGM pursuant to the Articles of Association, which must be passed by more than two-thirds of the total number of Shares with valid voting rights held by Shareholders attending the meeting.

The proposed resolution regarding the proposed signing of investment agreement by Ganfeng LiEnergy is subject to the approval of the Shareholders by way of ordinary resolution at the EGM pursuant to the Articles of Association, which must be passed by more than half of the total number of Shares with valid voting rights held by Shareholders attending the meeting.

Whether or not you are able to attend the EGM in person, you are requested to complete the proxy forms in accordance with the instructions printed thereon and return the same to the share registrar of H Shares of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy forms shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so desire.

### **Closure of register of members**

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM, the registers of members of the Company will be closed from Monday, November 27, 2023 to Thursday, November 30, 2023 (both days inclusive) during which no transfer of H shares, will be effected. Holders of H Shares whose names appear on the registers of members of the Company at 4:30 p.m. on Friday, November 24, 2023 shall be entitled to attend and vote at the EGM. In order for the holders of H Shares to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, November 24, 2023 for registration.

---

## LETTER FROM THE BOARD

---

### VI. RECOMMENDATION

The Directors are of the view that (i) proposed adoption of the 2023 Employee Stock Ownership Plan; (ii) proposed adoption of the management measures for the 2023 Employee Stock Ownership Plan; (iii) proposed authorization to the Board to handle matters pertaining to the 2023 Employee Stock Ownership Plan; and (iv) proposed signing of investment agreement by Ganfeng LiEnergy are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM as set out in the notice of the EGM.

On behalf of the Board  
**GANFENG LITHIUM GROUP CO., LTD.**  
**LI Liangbin**  
*Chairman*

**STATEMENT**

The Company and all the members of the Board guarantee the authenticity, accuracy, and completeness of the Employee Stock Ownership Plan and undertake that there is no misrepresentation, misleading statement, or material omission herein.

**RISK WARNING**

1. The Employee Stock Ownership Plan of Ganfeng Lithium Group Co., Ltd. (hereinafter referred to as “**Ganfeng Lithium**” or the “**Company**”) shall be implemented upon approval by the general meeting of the Company. It is uncertain whether the Employee Stock Ownership Plan will be approved at the general meeting of the Company.
2. The Employee Stock Ownership Plan is self-managed by the Company or entrusted to a professional organization with asset management qualifications. The Company has established an Employee Stock Ownership Plan Management Committee as the management party of the Employee Stock Ownership Plan, representing the Employee Stock Ownership Plan to exercise shareholder rights. The Company has taken appropriate risk prevention and isolation measures to effectively safeguard the legitimate rights and interests of the holders of the Employee Stock Ownership Plan. During the term of the Stock Ownership Plan, the Management Committee can engage relevant professional institutions to provide management, consulting and other services for the daily management of the Stock Ownership Plan.
3. The detailed source of fund and implementation scheme of the Employee Stock Ownership Plan are preliminarily planned. It is uncertain whether the implementation can be completed.
4. The stock price is influenced by various complex factors such as the Company’s operating performance, macroeconomic cycle, international/domestic political and economic situation, and investor psychology. Therefore, stock transaction is an investment activity with certain risks, which the investors should be fully prepared for it.
5. Investors are advised to exercise caution when making a decision and pay attention to investment risks.

## SPECIAL NOTICE

1. The Employee Stock Ownership Plan of the Year 2023 (hereinafter referred to as the “**Employee Stock Ownership Plan**” or “**the Plan**”) of Ganfeng Lithium (hereinafter referred to as “**Ganfeng Lithium**” or the “**Company**”) is prepared by the Company in accordance with the provisions of relevant laws, administrative regulations, rules, normative documents such as the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Guidance Opinions on the Pilot Implementation of Employee Stock Ownership Plan by Listed Companies and the Guidelines for Self-discipline Regulation of Listed Companies of Shenzhen Stock Exchange No. 1 – Normative Operation of Listed Companies on the Main Board, and the Articles of Association.
2. The Employee Stock Ownership Plan follows the principle of discretionary decisions of the Company, and the voluntary participation of the employees, with no employees being forced to participate in the Plan by mandatory apportionment and distribution, etc.
3. The participants of the Employee Stock Ownership Plan are directors, supervisors, senior management personnels, core management personnels and key employees who have been recognized by the Board as playing an important role in and having an influence on the overall performance and medium and long-term development of the Company. The total number of employees participating in the Employee Stock Ownership Plan shall not exceed 595 (excluding reserved shares), and the final distribution share and proportion of each participant is subject to the actual distribution.
4. The stock source of the Employee Stock Ownership Plan is the Target Shares (A-share ordinary shares) purchased through the secondary market (including but not limited to bidding transactions and block transactions) and other ways as permitted by the relevant laws. Where the Target Shares are purchased through the secondary market, it shall be completed within six months after the Employee Stock Ownership Plan is reviewed and approved by the general meeting.
5. The source of funds for participation of the employees under the Employee Stock Ownership Plan is the special fund (hereinafter referred to as the “**Special Fund**”) of the Employee Stock Ownership Plan set aside by the Company. The Special Fund is a reward fund that the Company intends to withhold and distribute to the holders of the Employee Stock Ownership Plan. It will be included in the corresponding annual balance sheet of the Company under the item “Staff salaries payable” and belongs to the scope of employee salaries, and the amount of Special Fund to be withheld by the Company shall not exceed 1.56% of the audited net profit attributable to shareholders of the listed company for the year 2022, which is approximately RMB320 million. There is no circumstance where the Company provides financial assistance to employees or provide guarantees for their loans, or where third parties provide incentives, grants and subsidies, and make up the balance to participants.

6. After the implementation of the Employee Stock Ownership Plan, the total number of shares held under all effective employee stock ownership plans shall not exceed 10% of the total share capital of the Company. The accumulated Shares held by any individual employee according to his equity obtained shall not exceed 1% of the total share capital of the Company. The total number of the Target Shares excludes the Shares acquired by Holders before the initial public offering of the Company, the Shares acquired from the secondary market on their own, and the shares obtained through share incentive.
7. The holders of the Employee Stock Ownership Plan voluntarily waive their voting rights and other rights from indirectly holding shares of the Company due to their participation in the Employee Stock Ownership Plan, and only retain their dividend rights, investment income rights and other rights to such shares.

The Employee Stock Ownership Plan involves the participation of directors, supervisors, senior management personnels, actual controllers, and their concerted actions personnels, which constitute related parties.

Directors, supervisors, senior management personnels, actual controllers of the Company and their concerted actions personnels voluntarily waive their rights arising from indirectly holding shares of the Company due to their participation in the Employee Stock Ownership Plan, and only retain their dividend rights, investment income rights and other rights to such shares, undertake not to take up any position in the Management Committee, and at the same time waive their voting rights on the election of the members of the Management Committee, and will maintain independent from the above-mentioned persons in respect of relevant operations of the Employee Stock Ownership Plan. Therefore, there shall neither be any arrangement nor plan for concerted action between the Employee Stock Ownership Plan and the directors, supervisors, senior management personnels, actual controllers of the Company and their concerted actions personnels. This Employee Stock Ownership Plan shall abstain from voting on the resolutions that require shareholders' meeting consideration and approval, involving the controlling shareholders, actual controllers, Directors, supervisors, senior management of the Company, and other participants.

8. The term of the Employee Stock Ownership Plan is 72 months, starting from the date when the Company announces the completion of the purchase of the shares of Ganfeng Lithium (ordinary A shares) under the first grant of Employee Stock Ownership Plan. The first grant part shall be vested in four batches after 12 months following the date when the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan is completed, and the reserved grant part shall be vested in three batches after 12 months following the date when the purchase of the shares of the Company under the reserved grant of the Employee Stock Ownership Plan is completed.
9. Before the implementation of the Employee Stock Ownership Plan, the Company will seek the opinions of the employees through organizations such as employee representative union. Upon the consideration and approval of the Employee Stock Ownership Plan by the Board, the Company will issue a notice of convening a general meeting, which the Employee Stock Ownership Plan will be submitted to the general meeting for consideration and approval before implementation. A combination of on-site voting and online voting will be adopted at the shareholders' general meeting of the Company to consider the the Employee Stock Ownership Plan. The Company will provide its shareholders with a voting platform in the form of an online voting platform through the Shenzhen Stock Exchange trading system and the Internet voting system, shareholders can exercise their voting rights through the above-mentioned systems during the online voting time.
10. The Company's financial, accounting treatment and tax matters related to the implementation of the Employee Stock Ownership Plan shall be implemented in accordance with the relevant financial system, accounting standards, and tax regulations. The relevant tax to be paid by the employees due to the implementation of the Employee Stock Ownership Plan shall be borne by the employees themselves.
11. The shareholding structure of the Company will remain in compliance with the listing requirements after the implementation of the Employee Stock Ownership Plan.

**CONTENTS**

<b>STATEMENT</b> .....	13
<b>RISK WARNING</b> .....	14
<b>SPECIAL NOTICE</b> .....	15
<b>DEFINITIONS</b> .....	19
<b>I.     PURPOSES OF THE EMPLOYEE STOCK OWNERSHIP PLAN</b> .....	21
<b>II.    BASIC PRINCIPLES OF THE EMPLOYEE STOCK OWNERSHIP PLAN</b> .....	21
<b>III.   STANDARD FOR DETERMINATION AND SCOPE OF PARTICIPANTS OF THE       EMPLOYEE STOCK OWNERSHIP PLAN</b> .....	22
<b>IV.    SIZE, SOURCE OF SHARES, PURCHASE PRICE AND SOURCE OF FUND       OF THE EMPLOYEE STOCK OWNERSHIP PLAN</b> .....	24
<b>V.     TERM, LOCK-UP PERIOD AND PERFORMANCE ASSESSMENT OF THE       EMPLOYEE STOCK OWNERSHIP PLAN</b> .....	27
<b>VI.    PARTICIPATION IN FINANCING OF THE COMPANY WITHIN THE TERM       OF THE EMPLOYEE STOCK OWNERSHIP PLAN</b> .....	33
<b>VII.   AMENDMENT AND TERMINATION OF THE EMPLOYEE STOCK OWNERSHIP       PLAN AND DISPOSAL OF EQUITY OF HOLDERS</b> .....	33
<b>VIII.  MANAGEMENT MODE OF THE EMPLOYEE STOCK OWNERSHIP PLAN</b> .....	39
<b>IX.    ACCOUNTING TREATMENT FOR THE EMPLOYEE STOCK       OWNERSHIP PLAN</b> .....	47
<b>X.     PROCEDURES FOR IMPLEMENTATION OF THE EMPLOYEE STOCK       OWNERSHIP PLAN</b> .....	47
<b>XI.    RELATED RELATIONSHIPS AND ACTING IN CONCERT RELATIONSHIP OF THE       EMPLOYEE STOCK OWNERSHIP PLAN</b> .....	48
<b>XII.   OTHER IMPORTANT MATTERS</b> .....	49

## DEFINITIONS

In the Draft Plan, unless the context otherwise requires, the following expressions shall have the following meanings:

Ganfeng Lithium/Company	Ganfeng Lithium Group Co., Ltd.
/the Plan/Stock Ownership Plan/ Employee Stock Ownership Plan	the 2023 Employee Stock Ownership Plan of Ganfeng Lithium Group Co., Ltd.
Draft Employee Stock Ownership Plan/Draft Plan	the 2023 Employee Stock Ownership Plan of Ganfeng Lithium Group Co., Ltd. (Draft)
Holder(s)/Shareholding employees	Directors, supervisors, senior management personnels, core management personnels, and key employees of the Company who contribute to participate in the Employee Stock Ownership Plan
Holders' Meeting	meeting of Holders of the Employee Stock Ownership Plan
Management Committee	the management committee of the Employee Stock Ownership Plan
Administrative Measures for the Employee Stock Ownership Plan	the Administrative Measures for the Employee Stock Ownership Plan of the Year 2023 Ganfeng Lithium Group Co., Ltd.
Target Shares	ordinary A shares of Ganfeng Lithium held by the Stock Ownership Plan
CSRC	China Securities Regulatory Commission

SZSE	Shenzhen Stock Exchange
CSDCC	Shenzhen Branch of China Securities Depository and Clearing Corporation Limited
RMB, RMB10,000	RMB, RMB10,000
Company Law	the Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China
Guidance Opinions	the Guidance Opinions on the Pilot Implementation of Employee Stock Ownership Plans by Listed Companies (《關於上市公司實施員工持股計劃試點的指導意見》)
Guidelines No.1	the Guidelines for Self-discipline Regulation of Listed Companies of Shenzhen Stock Exchange No. 1 – Normative Operation of Listed Companies on the Main Board (《深圳證券交易所上市公司自律監管指引第1號—主板上市公司規範運作》)
Articles of Association	the Articles of Association of Ganfeng Lithium Group Co., Ltd.

*Note:* There may be discrepancy in total amount of the Plan due to rounding.

**I. PURPOSES OF THE EMPLOYEE STOCK OWNERSHIP PLAN**

Following the principles of fairness, impartiality, and openness, the Company formulated the Plan to establish and improve a mechanism for sharing benefits between employees and shareholders of the Company, improve the level of corporate governance, enhance the cohesion of employees and the overall competitiveness of the Company, and ensure the achievement of the Company's future development strategy and business objectives in accordance with provisions of relevant laws, administrative regulations, rules, normative documents such as the Company Law, the Securities Law, the Guidance Opinions and Guidelines No. 1, as well as the Articles of Association.

The Company's employees voluntarily, legally, and compliantly participate in the Employee Stock Ownership Plan. The purpose of holding the stocks of the Company is to establish and improve the benefit sharing mechanism between employees and shareholders, improve the level of corporate governance, enhance the cohesion and competitiveness of employees, mobilize employees' motivation and creativity, and promote the long-term, sustainable, and healthy development of the Company.

**II. BASIC PRINCIPLES OF THE EMPLOYEE STOCK OWNERSHIP PLAN****1. Legality and Compliance**

The Company implements the Employee Stock Ownership Plan in strict compliance with the requirements of relevant laws and administrative regulations, which require the Company to comply with the procedure to disclose true, accurate, and complete information in a timely manner. Insider trading, manipulation of the securities market, and other fraudulent actions through the Employee Stock Ownership Plan are strictly prohibited.

**2. Voluntary Participation**

The implementation of the Employee Stock Ownership Plan is subject to the discretionary decisions of the Company and the voluntary participation of the employees. The Company is not permitted to force employees to participate in the Employee Stock Ownership Plan by mandatory apportionment and distribution, etc.

**3. Long term service**

The Target Shares held under the Employee Stock Ownership Plan shall be vested into three or four periods based on the assessment results during the vesting assessment period. The mechanism of installment vesting mentioned above is conducive to encouraging core management personnels to provide long-term services, incentivizing the achievement of long-term performance, and promoting the sustainable development of the Company.

**4. Sharing Benefit**

When the Employee Stock Ownership Plan vest to the Holders, it is uniformly linked to the Company's key performance indicators, strengthens the Company's common target, and closely binds the long-term interests of the Company's core management personnels and shareholders.

**5. Self-bearing of Risk**

The participants of the Employee Stock Ownership Plan shall undertake their own risks for gains or losses and enjoy equal rights with other investors.

**III. STANDARD FOR DETERMINATION AND SCOPE OF PARTICIPANTS OF THE EMPLOYEE STOCK OWNERSHIP PLAN****1. Determination Basis of Holders of the Employee Stock Ownership Plan**

Participants of the Employee Stock Ownership Plan are determined by Remuneration Committee of the Board according to the provisions of relevant laws and regulations, rules and normative documents, including the Company Law, the Securities Law, the Guidance Opinions, and the Guidelines No.1, as well as the Articles of Association.

**2. Scope of Holders of the Employee Stock Ownership Plan**

In order to better safeguard the execution of the Company's strategies, enhance market competitiveness and performance growth, and promote the rapid, long-term and healthy development of the Company, the Holders of the Employee Stock Ownership Plan include directors, supervisors, senior management personnels, core management personnels and key employees who have direct and significant influence on and contribution to the future operation and performance growth of the Company. All participants must be employed by the Company (including its branches and holding subsidiaries, the same below) and have an employment or labor relationship with the Company.

The participation of the Employee Stock Ownership Plan by employees is subject to the principle of discretionary decisions of the Company, and the voluntary participation of the employees, with no employees being forced to participate in the Employee Stock Ownership Plan by mandatory apportionment and distribution, etc.

The Supervisory Committee of the Company will verify the list of holders and the lawyer to be engaged by the Company will issue legal opinions on whether the qualifications of the Holders and other matters comply with the relevant laws and regulations including the Company Law, the Securities Law, the Guidance Opinions and Guidelines No. 1, as well as the Articles of Association and the Employee Stock Ownership Plan (Draft).

**IV. SIZE, SOURCE OF SHARES, PURCHASE PRICE AND SOURCE OF FUNDS OF THE EMPLOYEE STOCK OWNERSHIP PLAN****1. Size of the Target Shares of the Employee Stock Ownership Plan**

The cap of funds under the Employee Stock Ownership Plan is RMB320 million, divided into “units” for subscription and each unit is equal to RMB1. The cap of units of the Employee Stock Ownership Plan is 320 million. Assuming that the closing price of RMB44.62 per share of the Company on September 27, 2023 is calculated as the average purchase price of all the shares under the Employee Stock Ownership Plan, the total number of corresponding shares under the Employee Stock Ownership Plan will be approximately 7.1717 million shares, accounting for approximately 0.36% of the total share capital of the Company at present. The specific number of shares traded shall be determined by the actual number of shares traded at the time of the transaction.

After the implementation of the Employee Stock Ownership Plan, all the total effective shares held by all valid employee stock ownership plan shall not exceed 10% of the total share capital of the Company, and the Target Shares corresponding to the Plan shares held by any holder shall not exceed 1% of the total share capital of the Company. The total shares held by the Employee Stock Ownership Plan except the shares acquired by the employees before the initial public offering of the Company, the shares purchased through the secondary market and the shares acquired through share incentives.

**2. Target Shares Source and Purchase Price of the Employee Stock Ownership Plan**

The stock source of the Employee Stock Ownership Plan is the Target Shares purchased through the secondary market (including but not limited to bidding transactions and block transactions) and other ways as permitted by the relevant laws. Where the Target Shares are purchased through the secondary market, the purchase price shall be market price and it shall be completed within six months after the Employee Stock Ownership Plan are reviewed and approved by the general meeting.

### 3. Source of funds of the Employee Stock Ownership Plan

The source of funds for participation of the employees under the Employee Stock Ownership Plan is the special fund (hereinafter referred to as the “**Special Fund**”) set aside by the Company. The Special Fund is a reward fund that the Company intends to withhold and distribute to the holders of the Employee Stock Ownership Plan. It will be included in the corresponding annual balance sheet of the Company under the item “Staff salaries payable” and belongs to the scope of employee salaries, and the amount of Special Fund to be withheld by the Company shall not exceed 1.56% of the audited net profit attributable to shareholders of the listed company for the year 2022, which is approximately RMB320 million. There is no circumstance where the Company provides financial assistance to employees or provide guarantees for their loans, or where third parties provide incentives, grants and subsidies, and make up the balance to participants.

The total amount of fund for the Employee Stock Ownership Plan is subscribed in “units”, each of which being RMB1. The units of the Employee Stock Ownership Plan shall not exceed 320 million units. The specific proportion of the Company’s employees participating in the Ownership Plan is as follows:

Name of Holders	Position	Proportion of proposed subscription units to the total units of the Employee Stock Ownership Plan	
		Proposed subscription units (10,000 units)	Proportion of proposed subscription units to the total units of the Employee Stock Ownership Plan
Shen Haibo	Director, vice president	285.9730	0.8937%
Xiong Xunman	Vice president	285.9730	0.8937%
Xu Jianhua	Vice president	285.9730	0.8937%
Huang Ting	Financial director, vice president	214.4798	0.6702%
Luo Guanghua	Vice president	214.4798	0.6702%
	The chairman of the Supervisory Committee		
Huang Huaan	Committee	57.1946	0.1787%
Li Liangxue	Senior engineer	70.0634	0.2189%
Xiong Jianlang	General manager of Marketing Center	142.9865	0.4468%
Subtotal		1,557.1231	4.8660%
Core management, core employees (no more than 587)		28,442.8769	88.8840%
Reserved		2,000.00	6.2500%
Total		32,000.00	100.0000%

Mr. Xiong Jianlang and Mr. Li Liangxue, one of the actual controllers of the Company and their concerted actions personnels, participated in the Employee Stock Ownership Plan mainly due to their significant contributions to the Company's development and their current positions as important leaders of the Company. Mr. Xiong Jianlang is the general manager of the Company's marketing center, mainly responsible for market research and analysis of the domestic lithium industry, and coordinating the sales of all lithium salt products in China; Mr. Li Liangxue is the head of the Company's infrastructure department and a senior engineer, he is mainly responsible for guiding, supervising and managing the bidding, construction drawings, construction progress, project acceptance, and other aspects of the Company's civil engineering, anti-corrosion and insulation engineering projects. The above two people are both core management personnel of the Company, and their participation has expressed the management's confidence in the future development of the Company, which helps to mobilize the enthusiasm of the Company's management and employees, improve employee cohesion and competitiveness of the Company. The Company believes that the participation of some actual controllers in the employee shareholding plan complies with the provisions of laws and regulations such as the Company Law, the Securities Law, the Guidance Opinions and Guidelines No. 1, as well as the Articles of Association, without any prejudice to the interests of the Company and all shareholders, in particular, the minority shareholders.

The final subscription unit of Employee Stock Ownership Plan shall be subject to the actual allocation of each participant. Where a Holder waives the entitlement to participate, the units proposed to be subscribed by him/her may be applied and subscribed by other eligible participants. The Human Resource Department of the Company may make adjustment to the list of participants and the number of units to be subscribed for according to the actual situation of the employees' subscription. There is no circumstance where third parties provide incentives, grants and subsidies, and make up the balance to participants for participation of the Employee Stock Ownership Plan.

In order to support the sustainable development of the Company and attract and retain outstanding talents, this Employee Stock Ownership Plan reserves 20 million shares. The subscription targets for reserved shares shall meet the requirements of this plan. The Company's human resources department shall propose candidates in due time, which is subject to confirmation of the Supervisory Committee and consideration and approval of the Board. The subscription period for reserved shares shall be one year from the date of approval of the Employee Stock Ownership Plan by the shareholders' meeting. If no eligible employees have subscribed for reserved shares within the subscription period or the reserved shares have not been fully distributed, the remaining reserved shares shall be invalidated by the Company.

**V. TERM, LOCK-UP PERIOD AND PERFORMANCE ASSESSMENT OF THE EMPLOYEE STOCK OWNERSHIP PLAN****(I) Term of the Employee Stock Ownership Plan**

1. The term of the Employee Stock Ownership Plan is 72 months, starting from the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of Employee Stock Ownership Plan. The Employee Stock Ownership Plan will be automatically terminated if failed to be extended upon expiry.
2. Within ten days before the expiry of the Employee Stock Ownership Plan, as agreed by the Holders present at the Holders' Meeting holding more than 2/3 of the total units and submitted to the Board for consideration and approval, the term of the Employee Stock Ownership Plan can be extended.
3. Provided that the shares of the Company held by the Employee Stock Ownership Plan cannot be fully disposed of prior to the expiry of the duration due to suspension of trading or short window period, the duration of the Employee Stock Ownership Plan may be extended, as agreed by the attending Holders with more than two-thirds of the total units at the Holders' Meeting, and as considered and approved by the Board of the Company.

**(II) Lock-up Period of the Targets Shares under the Employee Stock Ownership Plan**

1. The lock-up period of the Employee Stock Ownership Plan is 12 months, calculated from the date of completion of the purchase of the shares of the Company. The first grant part shall be vested in four batches as to 25% for each batch, provided that the performance results and personal performance results are achieved in the four fiscal years from 2023 to 2026. The reserved grant part shall be vested in three batches as to 30%, 30%, and 40% respectively, provided that the performance results and personal performance results are achieved in the three fiscal years from 2024 to 2026.

The vesting time of first grant part are as follow:

The first batch vesting time: The number of vested shares shall be 25% of the total number of Target Shares held under the Employee Stock Ownership Plan from the first trading day after 12 months following the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan to the day of the last trading day within 24 months from the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan.

The second batch vesting time: The number of vested shares shall be 25% of the total number of Target Shares held under the Employee Stock Ownership Plan from the first trading day after 24 months following the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan to the day of the last trading day within 36 months from the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan.

The third batch vesting time: The number of vested shares shall be 25% of the total number of Target Shares held under the Employee Stock Ownership Plan from the first trading day after 36 months following the date when the Company announces the completion of the purchase of the shares of the first grant of the Company under the Employee Stock Ownership Plan to the day of the last trading day within 48 months from the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan.

The fourth batch vesting time: The number of vested shares shall be 25% of the total number of Target Shares held under the Employee Stock Ownership Plan from the first trading day after 48 months following the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan to the day of the last trading day within 60 months from the date when the Company announces the completion of the purchase of the shares of the Company under the first grant of the Employee Stock Ownership Plan.

The vesting time of reserved grant part are as follow:

The first batch vesting time: The number of vested shares shall be 30% of the total number of Target Shares held under the Employee Stock Ownership Plan from the first trading day after 12 months following the date when the Company announces the completion of the purchase of the shares of the Company under the reserved grant part of the Employee Stock Ownership Plan to the day of the last trading day within 24 months from the date when the Company announces the completion of the purchase of the shares of the Company under the reserved grant part of the Employee Stock Ownership Plan.

The second batch vesting time: The number of vested shares shall be 30% of the total number of Target Shares held under the Employee Stock Ownership Plan from the first trading day after 24 months following the date when the Company announces the completion of the purchase of the shares of the Company under the reserved grant part of the Employee Stock Ownership Plan to the day of the last trading day within 36 months from the date when the Company announces the completion of the purchase of the shares of the Company under the reserved grant part of the Employee Stock Ownership Plan.

The third batch vesting time: The number of vested shares shall be 40% of the total number of Target Shares held under the Employee Stock Ownership Plan from the first trading day after 36 months following the date when the Company announces the completion of the purchase of the shares of the reserved grant part of the Company under the Employee Stock Ownership Plan to the day of the last trading day within 48 months from the date when the Company announces the completion of the purchase of the shares of the Company under the reserved grant part of the Employee Stock Ownership Plan.

The Target Shares acquired by the Employee Stock Ownership Plan and the shares derived from the distribution of dividends by the listed Company and the conversion of capital reserves shall also comply with the above lock-up arrangement.

**2. *Transaction limitation of the Employee Stock Ownership Plan***

The Employee Stock Ownership Plan will strictly comply with the market trading rules, comply with relevant regulations on stock trading by the CSRC and the SZSE, and shall not purchase or sell Company shares during the following periods:

- 1) Within 30 days before the announcement of the annual report and the interim report of the Company, if the date of the annual report or the interim report is delayed due to special reasons, it shall commence from 30 days before the originally scheduled announcement date to 1 day before the announcement;
- 2) 10 days prior to the release of the quarterly report, performance forecast, or preliminary results announcement of the Company;
- 3) The period from the date when a material event, which may significantly affect the trading price of the Shares of the Company and their derivatives, occurs or come into the process of decision-making to the date of lawful disclosure;
- 4) Other periods as stipulated by the CSRC and the SZSE;

The aforementioned “material event” refers to a transaction or any other significant matter that the Company shall disclose in accordance with the provisions of Rules Governing the Listing of Securities on the Shenzhen Stock Exchange. If the relevant laws, administrative regulations and departmental regulations stipulate otherwise in respect of the period(s) during which no dealings are allowed, the relevant provisions shall prevail.

**3. *Explanation of the rationality and compliance of the lock-up period and vesting arrangement of this Employee Stock Ownership Plan***

The principle of the lock-up period for this Employee Stock Ownership Plan is equal incentives and constraints. The source of funds for this Employee Stock Ownership Plan is the special incentive fund provided by the Company. Therefore, after 12 months of lock-up, it will be vested in four batches as to 25% for each batch. The reserved part will be vested in three batches after 12 months of lock-up as to 30%, 30%, and 40%, respectively. The Company believes that, on the basis of legal compliance, the setting of lock-up period and vesting arrangements may not only fully motivate employees, but also impose corresponding constraints on them, thereby more effectively unifying the interests of Holders, the Company and its shareholders, achieving the purpose of the Employee Stock Ownership Plan, and promoting further development of the Company.

(III) Performance assessment of the Employee Stock Ownership Plan

1. Performance assessment at segment/subsidiary level

The Employee Stock Ownership Plan sets performance assessment targets at the sector/subsidiary level. The vesting assessment period of the first grant part covers four accounting years from 2023 to 2026, the vesting assessment period of the reserved grant part covers three accounting years from 2024 to 2026. The assessment shall be conducted once an accounting year. Vesting is subject to the fulfillment of the performance commitment to the Company made by the segment or subsidiary to which the Holders belong. Detailed arrangements for vesting are shown in the following table:

Assessment results	Actual fulfillment of performance commitment	Method for vesting
Fulfilled	P≥100%	All the units which are to be vested by the Holders in the segment/subsidiary for the period can be vested
	80%≤P<100%	“80% of the units which are to be vested by the Holders in the segment/subsidiary for the period” can be vested and the remaining shall be recovered by the Management Committee
Not fulfilled	P<80%	None of the units which are to be vested by the Holders in the segment/subsidiary for the period can be vested and all of them shall be recovered by the Management Committee

The units which are to be vested by the Holders in the segment/subsidiary for the period can only be vested fully or partially when the performance commitment has been fulfilled in the assessment for the previous year; if the segment/subsidiary fails to fulfill its performance commitment, the portion out of the units which have been granted to and are to be vested by the Holders in the segment/subsidiary for the period shall be recovered by the Management Committee according to the requirements under the Stock Ownership Plan. After the expiration of the lock-up period, the Target Shares shall be sold, and the funds obtained from the sale of such shares shall belong to the Company.

2. Performance assessment at individual level

The performance assessment at the Holders level shall be implemented in accordance with the current internal performance assessment regulation of the Company, and the actual number of shares vested to the Holders shall be determined based on the assessment results of the Holders. If the Company achieves its performance target, the number of Stock Ownership Plan units a Holder actually be vested for a particular year = Number of units the Holders plans to be vested for the year × Personal vesting ratio (Referred to the table below):

Assessment results(S)	S≥80	80>S≥70	70>S≥60	S<60
Personal vesting ratio	1.0	0.9	0.8	0

If the individual performance assessment at the Holders level during the vesting assessment period is “S≥80”, the Holder shall vest the corresponding equity interests of the Target Shares for that period in accordance with the above rules. If the performance assessment at the Holders level during the vesting assessment period is “80>S≥70”, “70>S≥60” and “S<60”, the Holder shall not vest the corresponding proportion of the equity interests of the Target Shares for that period, and the Management Committee shall withdraw the shares that have not met the vesting conditions. The Management Committee has the right to decide to grant the shares to other employees again, who should meet the criteria for participating in the Employee Stock Ownership Plan, and the detail shall be determined by the Management Committee. If the grant of the shares is not completed during the term of the Employee Stock Ownership Plan, the Management Committee shall sell such portion of the Target Shares after the expiration of the lock-up period, the funds obtained from the sale of such portion of the shares shall be vested in the Company.

The lock-up period and vesting arrangement of the Stock Ownership Plan reflect the long-term nature of the Employee Stock Ownership Plan, and at the same time established strict segment/subsidiary performance assessment and individual performance assessment to prevent short-term interests and closely bundle the interests of shareholders with those of employees.

**VI. PARTICIPATION IN FINANCING OF THE COMPANY WITHIN THE TERM OF THE EMPLOYEE STOCK OWNERSHIP PLAN**

Within the term of the Employee Stock Ownership Plan, when the Company raises funds by means of placement of shares, secondary public offering, and convertible bonds, the Management Committee shall discuss whether to participate, formulate fund solutions, and submit them to the Holders' Meeting for consideration. The Stock Ownership Plan has the right to participate in the subscription fairly.

**VII. AMENDMENT AND TERMINATION OF THE EMPLOYEE STOCK OWNERSHIP PLAN AND DISPOSAL OF EQUITY OF HOLDERS****(I) Amendment to the Employee Stock Ownership Plan**

Within the term of the Employee Stock Ownership Plan, any amendment to the Employee Stock Ownership Plan shall be passed by more than two-thirds of the units held by the Holders attending the Holders' Meeting and be submitted to the Board of the Company for consideration and approval.

**(II) Termination of the Employee Stock Ownership Plan**

1. The Employee Stock Ownership Plan will be terminated automatically if the term of the Employee Stock Ownership Plan has not been effectively extended after expiration.
2. If the lock-up period of the Employee Stock Ownership Plan expires, all the Company shares held are sold or the assets held under the Plan are all monetary funds, as agreed by more than two-thirds of the units held by the Holders attending the Holders' Meeting as well as considered and approved by the Board, the Employee Stock Ownership Plan may be terminated in advance.
3. If all shares have not been sold before the expiry of the term of Stock Ownership Plan, the term of the Employee Stock Ownership Plan may be extended within 1 months before the expiry of the term of the Stock Ownership Plan as agreed by more than two-thirds of the units held by the Holders attending the Holders' Meeting as well as considered and approved by the Board of the Company.

**(III) Liquidation and distribution of the Employee Stock Ownership Plan**

1. The Management Committee shall complete the liquidation within 30 working days after the termination of Employee Stock Ownership Plan and make distribution of assets based on the proportion of units held by the Holders.
2. Within the term of the Employee Stock Ownership Plan, the Management Committee shall distribute cash in the capital account of Employee Stock Ownership Plan to the Holders according to the authorization of the Holders' Meeting.
3. Within the term of the Employee Stock Ownership Plan, when the Employee Stock Ownership Plan acquires cash or other distributable income from selling the Target Shares it held, it can distribute the income each accounting year, and the Management Committee shall distribute the income according to the units held by the Holders after deducting relevant taxes and fees and payables of the plan in accordance with the law.

**(IV) Rights attached to the shares held by the Employee Stock Ownership Plan and the arrangements on the possession, use, benefit and disposal of the rights of the Holders over the shares**

1. The Holders of the Employee Stock Ownership Plan are entitled to the asset income rights of the shares held by the Employee Stock Ownership Plan according to the actual subscription. The corresponding shares obtained by the Holders through the Employee Stock Ownership Plan shall be entitled to other shareholders' rights other than the voting rights (including dividend rights, rights issue, conversion of shares and other asset income rights).
2. Within the term, unless otherwise stipulated by laws, administrative regulations, departmental rules or with the consent of the Management Committee, the units held by the Holders under the Stock Ownership Plan shall not be withdrawn, transferred or used for mortgage, pledge, guarantee, repayment of debts or other similar disposal without authorization.
3. Within the lock-up period, the Holders shall not request the distribution of rights and interests of the Employee Stock Ownership Plan.
4. During the lock-up period, when the Company converts capital reserve into share capital and distributes bonus shares, the newly acquired shares under the Employee Stock Ownership Plan due to the holding of shares of the Company shall be locked up together and shall not be sold in the secondary market or otherwise transferred. The unlocking period of such shares is the same as the corresponding shares.

5. After the end of lock-up period and during the term, the Management Committee shall, pursuant to the authorization of the Holders' Meeting, sell the corresponding Target Shares at an appropriate time during the term, transfer the Target Shares to the personal accounts of the Holders' or continue to hold the corresponding Target Shares, during the term after the vesting date of the Stock Ownership Plan.
6. After the end of the lock-up period and during the term, the Management Committee shall decide whether to distribute the income corresponding to the Employee Stock Ownership Plan. Where the distribution is decided, the Management Committee shall distribute the income according to the units held by the Holders after deducting relevant taxes and fees in accordance with the law.
7. Within the term, when the Employee Stock Ownership Plan acquires cash or other distributable income from selling the Target Shares it held, it can distribute the income each accounting year, and the Management Committee shall distribute the income according to the proportion of units held by the Holders to the total units under the Stock Ownership Plan, after deducting relevant taxes and fees and payables of the plan in accordance with the law.
8. During the lock-up period, when the Company distributes dividends, the cash dividends obtained under the Employee Stock Ownership Plan, due to the holding of the shares of the Company, shall be included in the monetary assets of the Employee Stock Ownership Plan, and no distribution will be made in principle. It will only be distributed according to the resolution of the Management Committee during the term of the Stock Ownership Plan and after the end of the lock-up period. During the term of the Stock Ownership Plan and after the end of the lock-up period, when distribution of dividends by the Company, the cash dividends obtained under the Stock Ownership Plan due to holding the shares of the Company shall be included in the monetary assets of the Employee Stock Ownership Plan.
9. In case of other circumstances not covered herein, the disposal of the units of the Stock Ownership Plan held by the Holders shall be subject to determination by the Management Committee.
10. Within the term of the Employee Stock Ownership Plan, when the Company raises funds by placement of shares, secondary public offering, issuance of convertible bonds, etc., the Management Committee will submit it to the Holders' Meeting to consider whether to participate and the specific funding plan.

**(V) Measures for the disposal of the rights and interests of the shares held by the Holders of the Employee Stock Ownership Plan when they resign, retire, decease, or are no longer suitable for participating in the Stock Ownership Plan**

1. In case of any of the following circumstances, the Management Committee has the right to cancel the Holder's qualification to participate in the Employee Stock Ownership Plan, the unvested shares held under the Stock Ownership Plan shall be withdrawn by the Management Committee. The Management Committee has the right to decide to grant the shares to other employees again, who should meet the criteria for participating in the Employee Stock Ownership Plan, and the detail shall be determined by the Management Committee. If the grant of the shares is not completed during the term of the Employee Stock Ownership Plan, the Management Committee shall sell such portion of the Target Shares after the expiration of the lock-up period, the funds obtained from the sale of such portion of the shares shall be vested in the Company.
  - (1) Where a Holder resigns (including resignation without resignation approval procedure or resignation with resignation approval procedure), leaves, is dismissed or redundancy, resulting in the cancellation or termination of the labor contract or the expiration of the labor contract without renewal;
  - (2) Where a Holder's labor contract is terminated by the Company or its subsidiaries for violating laws, administrative regulations or rules and regulations of the Company;
  - (3) Where a Holder makes substantial mistake which leads to his/her disqualification from participating in the Employee Stock Ownership Plan;
  - (4) Where a Holder refuses to renew the labor contract with the Company or its subsidiaries after the expiration of his/her labor contract ;
  - (5) Where the Company or its subsidiaries decide not to renew the labor contract with the Holder after the expiration of his/her labor contract;
  - (6) Where there is evidence of occupation of corporate property, acceptance of bribe, embezzlement or similar misconduct ;
  - (7) Where the illegal actions cause damages to the interests or reputation of the Company;

- (8) Where there are other situations determined by the Management Committee that seriously violate the Company's internal management system or harm the Company's interests;
- (9) Where the leakage of the Company's confidential information cause damages to the Company.

2. Circumstances of adjustment of units held by the Holders

- (1) Within the term, Management Committee shall adjust the units of the Stock Ownership Plan obtained by the holders in accordance with the relevant assessment of the Holders by the Company.
- (2) Loss of working capacity, retirement and death

Within the term, where a Holder is reappointed after the retirement, the units held by the Holder will continue to be regulated by the procedures under the provisions of the Plan.

Within the term, where a Holder loses his/her working capacity due to the performance of his/her duties and leaves the Company, the units held by the Holder will continue to be regulated by the procedures under the provisions of the Plan.

Within the term, where a Holder dies due to performance of his/her duties, the units held by the Holder will continue to be regulated by the procedures under the provisions of the Plan, and his/her lawful inheritors shall inherit and be entitled to the units of the original holder without any constraints of qualification for participation in the Stock Ownership Plan.

Within the term, where a Holder is not reappointed after the retirement, loses his/her working capacity and dies for reasons other than the performance of his/her duties, the original holder and lawful inheritors shall not be entitled to the unvested portion prior to the date of incident. The Management Committee shall withdraw the units of corresponding tranche under the Stock Ownership Plan. The Management Committee has the right to decide to grant the shares to other employees again, who should meet the criteria for participating in the Employee Stock Ownership Plan, and the detail shall be determined by the Management Committee. If the grant of the shares is not completed during the term of the Employee Stock Ownership Plan, the Management Committee shall sell such portion of the Target Shares after the expiration of the lock-up period, the funds obtained from the sale of such portion of the shares shall be vested in the Company. The vested portion shall be entitled by the original holders and lawful inheritors in accordance with the relevant agreements.

3. Circumstances where there shall be no change in the units or rights and interests held by the Holders

- (1) Change of job position

Within the term, no change shall be made to the units or rights and interests of the Holders if they are still eligible to participate in the Employee Stock Ownership Scheme after their job positions are changed, but the vesting conditions shall be determined based on the performance assessment at segment/subsidiary level and individual performance assessment.

- (2) Other situations determined by the Management Committee.

4. In the event that a Holder is no longer suitable for participating in the Stock Ownership Plan, the Company shall disqualify such Holder from participating in the Employee Stock Ownership Plan, and the specific circumstances shall be enforced by the Management Committee.

**VIII. MANAGEMENT MODE OF THE EMPLOYEE STOCK OWNERSHIP PLAN**

During the term, the Employee Stock Ownership Plan shall be managed by the Company itself or entrusts a professional agency with asset management qualifications to carry out the management, with the specific implementation method to be determined in accordance with the actual situation. The highest internal management authority of the Employee Stock Ownership Plan shall be the Holders' Meeting. A Management Committee shall be established under the Employee Stock Ownership Plan and authorized by the Holders' Meeting to act as the management agency of the Employee Stock Ownership Plan, to exercise the shareholders' rights on behalf of the Holders of the Employee Stock Ownership Plan and to carry out the daily management of the Stock Ownership Plan.

**1. Holders' Meeting**

- 1) Employees of the Company become the Holders of the Plan after subscribing to their units in the Employee Stock Ownership Plan. Holders' Meeting is the highest internal management authority of the Employee Stock Ownership Plan. All holders shall have the right to participate in Holders' meetings. The Holders may attend and vote at Holders' meetings in person or entrust proxies to attend and vote on his behalf. The expenses of travel, board and lodging, etc. incurred by the Holders and their proxies to attend the Holders' Meeting shall be borne themselves.
- 2) The following matters shall be considered and reviewed at the Holders' Meeting:
  - (1) Election and removal of any members of the Management Committee;
  - (2) Amendment, termination, and extension of the term of the Employee Stock Ownership Plan;
  - (3) Within the term of Employee Stock Ownership Plan, when the Company raises funds by placement of shares, secondary public offering, issuance of convertible bonds, etc., the Management Committee will submit it to the Holders' Meeting to consider whether to participate and the specific funding plan;
  - (4) Consideration of and amendment to the Administrative Measures for the Employee Stock Ownership Plan;
  - (5) Authorization to the Management Committee to supervise the daily management of the Employee Stock Ownership Plan;

- (6) Authorization to the Management Committee to exercise the shareholder rights;
  - (7) Authorization to the Management Committee to be responsible for the liquidation and distribution of assets of the Plan;
  - (8) Other matters deemed to be necessary for consideration at the Holders' Meeting by the Management Committee.
- 3) The first Holders' Meeting shall be convened and presided over by the Secretary of the Board or other authorized person, and the subsequent Holders' Meeting shall be convened by the Management Committee and presided over by the chairperson of the Management Committee. When the chairperson of the Management Committee is unable to perform his duty, he/she shall appoint a member of the Management Committee to preside over the meeting.
  - 4) To convene a Holders' Meeting, the Management Committee shall submit a written notice of meeting 3 days prior to the meeting to all the Holders through direct delivery, mail, facsimile, e-mail, or other means. The written notice of the meeting shall at least include the following details:
    - (1) Time and location of the meeting;
    - (2) Conference type;
    - (3) Proposed matters to be considered at the meeting;
    - (4) Convener and host of the meeting and the proposer(s) of the extraordinary meeting (s) and their written proposals;
    - (5) Meeting materials necessary for voting;
    - (6) Requirements for the Holders to attend the meeting in person or entrust other Holders to attend the meeting on their behalf;
    - (7) Contact person and contact information;
    - (8) Date of issuance of the notice.

In case of emergency, a Holders' Meeting can be convened by a verbal notice. The verbal meeting notice shall at least include the above clauses (1), (2), and an explanation of the emergency and necessity to convene a Holders' Meeting.

- 5) Voting Procedures of the Holders' Meeting
  - (1) After each proposal has been fully discussed, the chairman shall invite Holders attending the meeting to vote in a timely manner. The chairperson may also invite Holders attending the meeting to vote after all proposals for the meeting have been discussed. Voting shall be carried out by paper ballot.
  - (2) Each unit held by the Holders of the Employee Stock Ownership Plan is entitled to one vote.
  - (3) The Holders may choose to vote for, against, or abstain in any resolution. The Holders attending the meeting shall select one of the aforesaid voting options, and any vote with no option or more than two options indicated will be deemed as an abstention. Any Holder who leave the meeting and do not come back without making a choice shall be deemed as an abstention. Any vote made after the announcement of voting results by the chairperson of the meeting or lapse of the voting period shall not be counted.
  - (4) The chairperson of the meeting shall announce the on-site voting results at the spot of the meeting. Each resolution shall only become valid in the Holders' Meeting after being passed by the Holders holding more than 50% (exclusive) held by the Holders attending the Holder's Meeting (except for the consent of more than two-thirds of the units required by the Employee Stock Ownership Plan).
  - (5) In the event that a resolution of the Holders' Meeting must be submitted to the Board and the general meeting of the Company for consideration, it shall be submitted to the Board and the general meeting of the Company for consideration in accordance with the provisions of the Articles of Association.
  - (6) The chairperson of the meeting shall arrange staff responsible for record-keeping for the Holders' Meeting.
- 6) Holders who individually or jointly hold over 30% in the Employee Stock Ownership Plan may submit a temporary proposal to the Holders' Meeting. Such temporary proposal shall be submitted to the Management Committee 5 days before the Holders' Meeting is convened.
- 7) Holders who individually or jointly hold over 30% in the Employee Stock Ownership Plan may propose to convene a Holders' Meeting.

## 2. Management Committee

- 1) The Employee Stock Ownership Plan shall set up a Management Committee to perform the daily management of the Employee Stock Ownership Plan and exercise shareholders' rights on behalf of the Holders. All members of the Management Committee shall be elected by the Holders' Meeting. If there is any change in the composition of the Management Committee, a re-election shall be held at a Holders' Meeting and such appointment shall be subject to the approval of more than half of the votes validly cast by the Holders (or their proxies) attending the Holders' Meeting.
- 2) The Management Committee comprises five members, with one chairperson of the Management Committee. The chairperson of the Management Committee shall be elected by more than half of all members of the Management Committee. The term of the members of the Management Committee shall be the same term of the Employee Stock Ownership Plan.
- 3) Members of the Management Committee shall abide by laws, administrative regulations, and the Administrative Measures for the Employee Stock Ownership Plan. Members of the Management Committee have the following fiduciary duties to the Employee Stock Ownership Plan:
  - (1) Not to take advantage of their position and authority to accept bribes or other illegal income; not to occupy any property of the Employee Stock Ownership Plan;
  - (2) Not to misappropriate funds of the Employee Stock Ownership Plan;
  - (3) Without the consent of the Management Committee, not to open a personal account under his or her own name or other people's names with the assets or funds of the Employee Stock Ownership Plan as the deposits;
  - (4) Not to lend the funds of the Employee Stock Ownership Plan to other persons or provide guarantee for other persons with the properties of the Employee Stock Ownership Plan without the consent of the Holders' Meeting;
  - (5) Not to take advantage of their positions and authority to jeopardize the interests of the Employee Stock Ownership Plan.

If a member of the Management Committee breaches the above fiduciary duties and causes losses to the Employee Stock Ownership Plan, he/she shall be liable for compensation.

- 4) The Management Committee shall discharge the following functions and authority:
  - (1) Convene the Holders' Meetings;
  - (2) Daily management of the Employee Stock Ownership Plan on behalf of all Holders;
  - (3) Exercise shareholders' rights on behalf of all Holders;
  - (4) Manage the allocation of benefits of the Employee Stock Ownership Plan;
  - (5) Determine the disqualification of the Holders and the handling of the units held by the disqualified Holders, including the change of the Holders' units, etc., in accordance with the provisions of the Employee Stock Ownership Plan;
  - (6) Decide on the recovery and acceptance of the shares under the Employee Stock Ownership Plan and the arrangements for the realization of the corresponding income of the Employee Stock Ownership Plan;
  - (7) Handle the inheritance of the units of the Plan;
  - (8) Decide on the special matters other than the above during the term of the Employee Stock Ownership Plan;
  - (9) Execute relevant documents on behalf of the all of Holders;
  - (10) Other responsibilities as authorized at the Holders' Meeting;
  - (11) Other responsibilities to be performed by the Management Committee according to the provisions of the Draft Stock Ownership Plan and relevant laws and regulations.

- 5) The chairperson of the Management Committee shall discharge the following functions and authority:
  - (1) Preside over the Holders' Meetings, convene and preside over the Management Committee meetings;
  - (2) Supervise and inspect the execution of resolutions of the Holders' Meetings and the Management Committee;
  - (3) Other functions and authority as delegated by the Management Committee.
  
- 6) The Management Committee meetings may be convened from time to time. Such meeting shall be called by the chairperson of the Management Committee. Notice of the meeting shall be sent out to all members of the Management Committee three days before a meeting is convened. Upon unanimous consent of all the members of the Management Committee to the proposed matters, the meeting may be convened, with the voting being carried out by means of telecommunication.

As agreed by all members of the Management Committee, the dispatch of notice can be exempted from the above time limit. Where an emergency Management Committee meeting is required to be convened as soon as possible in case of emergency, a notice of meeting can be given via telephone or other verbal means, but explanations shall be given by the convener at the meeting.

- 7) Members of the Management Committee may propose to convene an extraordinary meeting of the Management Committee. The chairperson of the Management Committee shall convene and preside over the Management Committee meeting within 3 days after receiving the proposal.
  
- 8) Management Committee meeting shall only be held when more than half of the members are present. Meeting resolutions shall be valid only upon obtaining approval from more than half of all members of the Management Committee. The voting for resolutions of the Management Committee shall follow the one-person, one-vote principle.
  
- 9) Voting for resolutions of the Management Committee shall be conducted by way of poll. Provided that members of the Management Committee can fully express their views, the Management Committee meeting can be conducted, and resolutions can be passed by means of facsimile, and such resolutions shall be signed by members of the Management Committee attending the meeting.

- 10) Members of the Management Committee shall attend the Management Committee meetings in person. For any member who cannot attend the meetings in person, he/she can appoint another member (s) of the Management Committee as his/her proxy(ies) in writing to attend the meetings. A form of proxy shall be signed or sealed by the authorizer with the name(s) of the proxy(ies) and the matters, scope, and validity period of the authorization being specified. The authorized member of the Management Committee shall exercise his/her rights as a member of the Management Committee within the scope of authorization. Any Management Committee member who neither attends the meetings nor authorizes another member as his/her proxy will be deemed to abstain from voting at the meetings.
- 11) The Management Committee shall take minutes of the matters discussed at the meeting, and all members of the Management Committee attending the meeting shall sign the minutes.

### **3. Management agency**

The Employee Stock Ownership Plan shall be managed by the Company itself or entrusts a professional agency with asset management qualifications to carry out the management, with the specific implementation method to be determined in accordance with the actual situation. If a professional agency with asset management qualifications is engaged to carry out the management, it shall be required to manage the Employee Stock Ownership Plan, in accordance with the relevant rules for asset management issued by the CSRC and other regulatory authorities and the provisions of the Employee Stock Ownership Plan, safeguard the legitimate rights and interests of the Employee Stock Ownership Plan, and ensure the security of the properties of the Employee Stock Ownership Plan. The Company will enter into the relevant management agreement on behalf of the Employee Stock Ownership Plan with it; the management fee, custodian fee and other relevant fees will be subject to the signing of the relevant agreement ultimately.

**4. Authorization to the Board by general meeting**

The general meeting may authorize the Board to solely handle the matters related to the Employee Stock Ownership Plan, including but not limited to the following:

- 1) Authorizing the Board to handle the establishment, revision, and termination of the Employee Stock Ownership Plan;
- 2) Authorizing the Board to make a decision on the extension of the term of the Plan and the early termination of the Plan;
- 3) Authorizing the Board to handle all matters related to the locking and unlocking of the shares purchased under the Employee Stock Ownership Plan;
- 4) Authorizing the Board to explain the Employee Stock Ownership Plan 2023 (Draft);
- 5) Authorizing the Board to make decisions on the matters related to refinancing, such as the participation in the placement of shares and any other refinancing matters during the term of the Employee Stock Ownership Plan;
- 6) Authorizing the Board to change the participants in and the determination standards of the Employee Stock Ownership Plan;
- 7) Authorizing the Board to sign all agreements and documents related to the Employee Stock Ownership Plan;
- 8) Authorizing the Board to determine or change the intermediary agencies, such as assets management party and the trustee institution of the Stock Ownership Plan (if required);
- 9) If the applicable laws, regulations, and policies change in the period of implementation of the Plan, the Board shall be authorized to make corresponding adjustments and improvements to the Employee Stock Ownership Plan accordingly;
- 10) Authorizing the Board to handle other necessary matters required by the Employee Stock Ownership Plan, except for the rights clearly stipulated in the relevant documents that need to be exercised by the general meeting.

The above authorizations shall take effect as of the date of adoption thereof at the general meeting of shareholders of the Company to the completion of the implementation of the Plan thereof.

**IX. ACCOUNTING TREATMENT FOR THE EMPLOYEE STOCK OWNERSHIP PLAN**

According to Accounting Standard for Business Enterprises No. 11 – Share-based Payments, the share-based payment to exchange for the staff services and settled with equity that cannot be exercised only until the service in waiting period is completed or the performance condition required is realized, the service obtained in the current period shall be included in relevant costs or expenses and capital reserves on each balance sheet date within the waiting period, on the basis of the best estimate of the number of vesting equity instruments, as per the fair value of equity instruments of the grant date.

Assuming the estimation of the purchase of the Company's shares is completed under the Employee Stock Ownership Plan as of end of November 2023, the Company's collection of approximately RMB300 million from the Special Fund for the first grant shall be amortized as expense from 2023 to 2027, with a limited impact on the Company's performance. The estimated amortization of the expense of the first grant part of Stock Ownership Plan is as follows:

<b>Total share-</b>					
<b>based payments</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<i>(RMB10,000)</i>	<i>(RMB10,000)</i>	<i>(RMB10,000)</i>	<i>(RMB10,000)</i>	<i>(RMB10,000)</i>	<i>(RMB10,000)</i>
30,000.00	1,302.08	15,000.00	7,812.50	4,166.67	1,718.75

*Note:* The above impact on the Company's business performance shall be subject to the final annual audit report issued by the accounting firm.

**X. PROCEDURES FOR IMPLEMENTATION OF THE EMPLOYEE STOCK OWNERSHIP PLAN**

- 1) The Remuneration Committee of the Board is responsible for formulating the Draft of the Employee Stock Ownership Plan.
- 2) Before implementing the Employee Stock Ownership Plan, the Company shall seek opinions from employees through the employee representatives.
- 3) When the Board considers and approves the Draft and Abstract of the Employee Stock Ownership Plan, the Independent Directors and the board of supervisors should express their independent opinions on whether the Employee Stock Ownership Plan is conducive to the sustainable development of the Company, whether it is detrimental to the interests of the Company and its Shareholders as a whole and whether employees are forced to participate in the Employee Stock Ownership Plan by way of apportionment, forced distribution, etc.

- 4) When the Board considers the Employee Stock Ownership Plan, the Directors who are related to the Plan shall abstain from voting. The Board will, within 2 trading days from consideration and approval of the Employee Stock Ownership Plan (Draft) at the meeting, announce the resolution of the Board, the Draft and Abstract of Employee Stock Ownership Plan, the opinions of Independent Directors, and the opinions of the Supervisory Committee.
- 5) The Company shall appoint a law firm to issue legal opinions on the Employee Stock Ownership Plan; and issue its legal opinion two trading days before the general meeting.
- 6) The Company shall appoint a financial Advisor to issue a financial advisor report on the Employee Stock Ownership Plan; and issue its financial advisor report two trading days before the general meeting.
- 7) Convene a general meeting to consider the Employee Stock Ownership Plan. The general meeting of shareholders will adopt the combination of onsite voting and online voting, and the voting of small and medium-sized investors will be counted separately and disclosed publicly; relevant directors, supervisors, and shareholders related to the Employee Stock Ownership Plan shall abstain from voting. The Employee Stock Ownership Plan can be implemented after approval by more than half of the valid voting rights attending the general meeting (among which related shareholders should avoid voting).
- 8) The time, quantity, and proportion of the Target Shares acquired shall be disclosed within 2 trading days from the completion date of the purchase of Target Shares by the Company or transfer of the Target Shares to the Employee Stock Ownership Plan.

**XI. RELATED RELATIONSHIPS AND ACTING IN CONCERT RELATIONSHIP OF THE EMPLOYEE STOCK OWNERSHIP PLAN**

1. Some directors, supervisors and senior management personnel, the actual controllers and their concerted actions personnels of the Company intend to participate in the Employee Stock Ownership Plan, and the above Participants are associated with the Employee Stock Ownership Plan, and shall abstain from voting when the Board, Supervisory Committee and general meeting of the Company consider the relevant resolutions of the Employee Stock Ownership Plan.

2. The Employee Stock Ownership Plan as a whole waives the shareholders' voting rights associated with holding the Target Shares, while retaining other shareholder rights beyond shareholders' voting rights (including dividend rights, rights issue, rights of conversion of capital reserve into shares and other asset income rights). Therefore, there is no concerted action relationship between the Employee Stock Ownership Plan and the controlling shareholders, actual controllers, directors, supervisors, and senior management personnel of the Company.
3. The Employee Stock Ownership Plan maintains independence in terms of the relevant operations and other matters. The Holders' Meeting is the highest authority of the Employee Stock Ownership Plan and the Holders' Meeting shall elect a Management Committee, which is responsible for the daily management of the Employee Stock Ownership Plan. The Holders have not signed any concerted action agreement or made any arrangements for concerted action.

## **XII. OTHER IMPORTANT MATTERS**

1. The Employee Stock Ownership Plan shall come into force as of the date of consideration and approval by the general meeting of shareholders.
2. The consideration and approval of the Employee Stock Ownership Plan by the Board and the general meeting shall not mean that the Holder shall have the right to continue to work for the Company or its subsidiaries and shall not constitute the Company's or its subsidiaries' commitment to the employment term of the Holder. The employment relationship between the Company or its subsidiaries and the Holder shall still be subject to the labor contract or engagement contract executed between the Company or its subsidiaries and the Holder.
3. The financial, accounting, and tax matters related to the implementation of the Employee Stock Ownership Plan shall be handled in accordance with the relevant financial system, accounting standards, and tax system. The relevant tax to be paid by the employees due to the implementation of the Employee Stock Ownership Plan shall be borne by the employees themselves.
4. The Board shall hold the right to interpret the Plan.

Board of Ganfeng Lithium Group Co., Ltd.  
September 27, 2023

---

## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

---



### 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)**

## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “**EGM**”) of Ganfeng Lithium Group Co., Ltd. (the “**Company**”) will be held at the conference room of the Company at 4th Floor, R&D Building at the Company’s Headquarter, Longteng Road, Economic Development Zone, Xinyu, Jiangxi Province, the People’s Republic of China on Thursday, November 30, 2023 at 2:00 p.m. for the purpose of considering, and if thought fit, approving the following resolutions. Unless otherwise stated, the capitalized terms used herein shall have the same meanings as defined in the circular of the Company dated November 10, 2023 (the “**Circular**”), of which the notice convening the EGM shall form part.

### **SPECIAL RESOLUTIONS**

1. Proposed adoption of the 2023 Employee Stock Ownership Plan
2. Proposed adoption of the management measures for the 2023 Employee Stock Ownership Plan
3. Proposed authorization to the Board to deal with relevant matters in relation to the 2023 Employee Stock Ownership Plan

### **ORDINARY RESOLUTION**

4. Proposed signing of investment agreement by Ganfeng LiEnergy

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

Jiangxi, PRC  
November 10, 2023

---

## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

---

*As at the date of this notice, the board of the Company comprises Mr. LI Liangbin, Mr. WANG Xiaoshen Ms. DENG Zhaonan and Mr. SHEN Haibo as executive directors of the Company; Ms. YANG Juan and Mr. YU Jianguo as non-executive directors of the Company; and Mr. WANG Jinben, Ms. WONG Sze Wing, Mr. XU Guanghua and Ms. XU Yixin as independent non-executive directors of the Company.*

*Notes:*

- (A) In order to determine the list of shareholders of the Company who will be entitled to attend and vote at the EGM, the registers of members of the Company will be closed from Monday, November 27, 2023 to Thursday, November 30, 2023 (both days inclusive), during which no transfer of H shares in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong dollar and listed on the The Stock Exchange of Hong Kong Limited (the “**H Shares**”), will be effected. Holders of H Shares whose names appear on the registers of members of the Company at 4:30 p.m. on Friday, November 24, 2023 shall be entitled to attend and vote at the EGM. In order for the holders of H Shares to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, November 24, 2023 for registration.
- (B) Holders of H Shares intending to attend the EGM (or any adjournment thereof) should complete and return the reply slip for attending the EGM (or any adjournment thereof) personally, by facsimile or by post.
- Holders of H Shares should complete and return the reply slip to the Company’s H Share Registrar by facsimile at (852) 2865 0990 or by post to (or by depositing it at) 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong such that the reply slip shall be received by the Company’s H Share Registrar 10 days before the EGM (i.e. on or before Monday, November 20, 2023).
- (C) Each holder of H Shares may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the EGM (or any adjournment thereof) on his behalf. A proxy need not be a shareholder of the Company.
- (D) Holders of H Shares must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant shareholder of the Company or by a person duly authorized by the relevant shareholder of the Company in writing (a “**power of attorney**”). If the form of proxy is signed by the person authorized by the relevant shareholder of the Company as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarized. If a corporate shareholder of the Company appoints a person other than its legal representative to attend the EGM (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate shareholder of the Company or duly signed by the chairman of the board of directors or any other person duly authorized by that corporate shareholder of the Company as required by the articles of association of the Company.
- (E) To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant documents of authorization (if any) as mentioned in note (D) above must be delivered to the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited (address: 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong), not less than 24 hours before the time appointed for the EGM (i.e. not later than 2:00 p.m. on Wednesday, November 29, 2023, Hong Kong time) (or any adjournment thereof).
- (F) Shareholders may contact the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited by telephone at (852) 2862 8555 or by email to [hkinfo@computershare.com.hk](mailto:hkinfo@computershare.com.hk) in connection with the EGM.

---

## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

---

- (G) A shareholder of the Company or his proxy should produce proof of identity when attending the EGM (or any adjournment thereof). If a corporate shareholder's legal representative or any other person duly authorized by such corporate shareholder attends the EGM (or any adjournment thereof), such legal representative or other person shall produce his proof of identity, proof of designation as legal representative and/or the valid authorization document (as the case may be).
  
- (H) The EGM (or any adjournment thereof) is expected to last for one day. Shareholders who attend the EGM (or any adjournment thereof) shall bear their own travelling and accommodation expenses.