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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 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.

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

(Stock Code: 1772)

**(1) PROPOSED ADOPTION OF SHARE OPTION INCENTIVE SCHEME 2022 AND
PROPOSED AUTHORIZATION TO THE BOARD TO DEAL WITH RELEVANT
MATTERS IN RELATION TO THE SHARE OPTION INCENTIVE SCHEME 2022;
(2) NOTICE OF THE EXTRAORDINARY GENERAL MEETING;
AND
(3) NOTICE OF THE H SHARE CLASS MEETING**

A letter from the Board is set out on pages 1 to 37 of this circular.

The notices of the EGM and the H Share Class Meeting are set out on pages 38 to 41 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, August 25, 2022 at 2 p.m. The H Share Class Meeting 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, August 25, 2022, immediately after the conclusion or adjournment of the A Share Class Meeting to be held on the same day at the same venue.

Whether or not you intend to attend the EGM and the H Share Class Meeting, you are advised to complete and return the enclosed proxy form in respect of the EGM and the H Share Class Meeting 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, August 24, 2022 at 2 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 and the H Share Class Meeting or any adjournment thereof (as the case may be) should you so wish. Shareholders who intend to attend the EGM and the H Share Class Meeting should also complete and return the reply slips in accordance with the instructions printed thereon.

August 5, 2022

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DEFINITIONS

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

“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)
“A Share Class Meeting”	the class meeting of A Shareholders
“Administrative Measures”	the Administrative Measures on Equity Incentives of Listed Companies
“Announcement”	the announcement of the Company dated May 25, 2022
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Assessment Measures”	Management Measures for the Implementation of the Share Option Incentive Scheme 2022, the content of which involves assessment indicators and standards such as the performance assessment at company level, segment/subsidiary level and individual level
“Assessment Year(s)”	the assessment period of the Share Options under the Share Option Incentive Scheme 2022 covers four accounting years from 2022 to 2025. The assessment shall be conducted once a year. Each corresponding accounting year is an assessment year
“Board”	the board of the Directors
“Class Meetings”	the class meeting of A Shareholders and the class meeting of H Shareholders or any adjournment thereof
“Company”	Ganfeng Lithium Co., Ltd. (江西贛鋒鋰業股份有限公司), a joint stock company established in the PRC with limited liability, whose A Shares and H Shares are listed on the Shenzhen Stock Exchange (stock code: 002460) and on the Main Board of the Stock Exchange (stock code: 1772), respectively
“Company Law”	Company Law of the People’s Republic of China
“connected person”	has the meaning ascribed thereto in the Listing Rules

DEFINITIONS

“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“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, August 25, 2022 at the Conference Room, 4 th Floor, R&D Building at the Company’s Headquarter, Longteng Road, Economic Development Zone, Xinyu, Jiangxi Province, the PRC
“Exercisable Date”	the date on which the Participants are entitled to exercise the Share Options, which must be a trading day
“Exercise”	Participant’s exercise of his/her Share Option(s) according to the Share Option Incentive Scheme 2022, i.e. Participant’s purchasing target Shares according to conditions as stipulated in the Share Option Incentive Scheme 2022
“Exercise Conditions”	the conditions must be fulfilled by Participants to exercise the Share Option(s) under the Share Option Incentive Scheme 2022
“Exercise Period”	period during which the Share Option(s) can be exercised
“Exercise Price”	the price determined by the Share Option Incentive Scheme 2022, at which the Participants shall purchase the Shares
“Grant Date”	the date on which the Company shall grant Share Option(s) to the Participants, which shall fall on a trading day
“Group”	the Company and its subsidiaries from time to time, and the expression member(s) of the Group shall be construed accordingly
“H Share(s)”	overseas listed ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed and traded on the Stock Exchange
“H Share Class Meeting”	the class meeting of H Shareholders
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Latest Practicable Date”	August 2, 2022, 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
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Participant(s)”	the participant(s) to be granted the Share Option(s) under the Share Option Incentive Scheme 2022
“PRC”	the People’s Republic of China
“Remuneration Committee”	the remuneration committee of the Board
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	Securities Law of the People’s Republic of China
“Self-regulatory Guidelines No. 1”	Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 – Business Handling
“Share(s)”	share(s) of the Company with a nominal value of RMB1.00 each, comprising both A Shares and H Shares
“Share Option(s)”	the rights to be granted by the Company to the Participants to purchase a certain number of Shares at a predetermined price and conditions within a certain period of time in the future under the Share Option Incentive Scheme 2022
“Share Option Incentive Scheme 2021”	the 2021 Share Option Incentive Scheme of the Company adopted and approved by the Shareholders on June 4, 2021
“Share Option Incentive Scheme 2022”	the 2022 Share Option Incentive Scheme of the Company
“Shareholder(s)”	the holder(s) of the Shares

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Validity Period”	the period from the date of registration of the initial grant of the Share Option(s) to the full exercise or cancellation of the Share Option(s)
“Vesting Period”	the period from the Grant Date to the Exercisable Date
“%”	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 Co., Ltd.
江西赣锋锂业股份有限公司

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

(Stock Code: 1772)

Executive Directors:

Mr. LI Liangbin
Mr. WANG Xiaoshen
Ms. DENG Zhaonan
Mr. SHEN Haibo

Registered Office:

Longteng Road
Economic Development Zone
Xinyu
Jiangxi Province, PRC

Non-executive Directors:

Ms. YANG Juan
Mr. YU Jianguo

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
Mr. XU Guanghua
Ms. XU Yixin

August 5, 2022

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED ADOPTION OF SHARE OPTION INCENTIVE SCHEME 2022 AND
PROPOSED AUTHORIZATION TO THE BOARD TO DEAL WITH RELEVANT
MATTERS IN RELATION TO THE SHARE OPTION INCENTIVE SCHEME 2022;
(2) NOTICE OF THE EXTRAORDINARY GENERAL MEETING; AND
(3) NOTICE OF THE H SHARE CLASS MEETING**

INTRODUCTION

Reference is made to the Announcement.

LETTER FROM THE BOARD

The purposes of this circular are to provide you with the relevant information for making informed decisions in respect of the proposed special resolutions to be submitted to the EGM and the H Share Class Meeting, regarding the proposed adoption of Share Option Incentive Scheme 2022 and proposed authorization to the Board to deal with relevant matters in relation to the Share Option Incentive Scheme 2022.

The abovementioned resolutions are submitted as special resolutions to the EGM and Class Meetings (as the case may be) to be approved by the Shareholders under the Articles of Association, The Shenzhen Stock Exchange Listing Rules and Guidelines of the Shenzhen Stock Exchange for the Standard Operation of Listed Companies (Revised in 2020), which should be adopted by votes representing more than two-thirds of the voting rights of the present Shareholders.

I. PROPOSED ADOPTION OF SHARE OPTION INCENTIVE SCHEME 2022 AND PROPOSED AUTHORIZATION TO THE BOARD TO DEAL WITH RELEVANT MATTERS IN RELATION TO THE SHARE OPTION INCENTIVE SCHEME 2022

As stated in the Announcement, the Board, on May 25, 2022, considered and approved the resolutions in relation to, among others, (i) the proposed adoption of the Share Option Incentive Scheme 2022 and the Assessment Measures; and (ii) the proposed authorization to the Board to deal with relevant matters in relation to the Share Option Incentive Scheme 2022. The Share Option Incentive Scheme 2022 shall become effective upon consideration and approval at the EGM and the Class Meetings of the Company. Before the EGM and the Class Meetings are held for approval of the Share Option Incentive Scheme 2022, the Company may amend the Share Option Incentive Scheme 2022 upon the request of the regulatory authorities in the PRC and/or Hong Kong.

1. PROPOSED ADOPTION OF THE SHARE OPTION INCENTIVE SCHEME 2022

1.1 Purpose of the Share Option Incentive Scheme 2022

In order to further establish and improve the Company's long-term incentive mechanism, attract and retain outstanding employees, fully motivate the core management and core technical or business personnel of the Company, effectively align the interests of Shareholders, the Company and the key individuals, and bring their attention to the Company's long-term development, under the premise of fully safeguarding the interests of Shareholders, the Share Option Incentive Scheme 2022 is formulated, following the principle that benefit is equivalent to contribution, in accordance with provisions of the relevant laws, regulations and regulatory documents, including the Company Law, the Securities Law, the Administrative Measures, the Self-regulatory Guidelines No. 1 as well as the Articles of Association.

LETTER FROM THE BOARD

1.2 Management Agency of the Share Option Incentive Scheme 2022

- (1) The general meeting, as the ultimate authority of the Company, shall be responsible for considering and approving the implementation, modification and termination of the Share Option Incentive Scheme 2022. The general meeting may, within its powers and authority, authorize the Board to handle certain matters relating to the Share Option Incentive Scheme 2022.
- (2) The Board shall act as the executive and administrative body for the Share Option Incentive Scheme 2022 and be responsible for the implementation of the Share Option Incentive Scheme 2022. The Remuneration Committee shall be responsible for drafting and revising the Share Option Incentive Scheme 2022, and submitting the Share Option Incentive Scheme 2022 to the Board for consideration. Upon consideration and approval by the Board, the Share Option Incentive Scheme 2022 shall be further submitted to the EGM and the Class Meetings for consideration. The Board may handle other matters relating to the Share Option Incentive Scheme 2022 within its scope of authority as delegated by the general meeting.
- (3) The committee of the Supervisors and the independent Director(s) are responsible for supervising the implementation and management of the Share Option Incentive Scheme 2022, and shall issue opinions as to whether the Share Option Incentive Scheme 2022 is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the shareholders as a whole. The committee of the Supervisors shall supervise the implementation of the Share Option Incentive Scheme 2022 as to whether it is in compliance with the relevant laws, regulations, regulatory documents and operational rules of the Stock Exchange, and shall be responsible for verifying the list of the Participants. The independent Director(s) shall solicit voting rights by proxy from all Shareholders in respect of the Share Option Incentive Scheme 2022.

Where amendments have been made to the Share Option Incentive Scheme 2022 before the Share Option Incentive Scheme 2022 is passed at the EGM and the Class Meetings, the independent Director(s) and the committee of the Supervisors shall issue independent opinions as to whether the amended incentive scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the shareholders as a whole.

LETTER FROM THE BOARD

Before any entitlements are granted to a Participant, the independent Director(s) and the committee of the Supervisors shall issue clear opinions on the conditions to be fulfilled for the Participant to receive such entitlements stipulated under the Share Option Incentive Scheme 2022. In the event of any discrepancy between the entitlements granted to a Participant and the arrangement under the Share Option Incentive Scheme 2022, the independent Director(s) and the committee of the Supervisors (where there is a change of the Participants) shall simultaneously issue clear opinions thereon.

Before the exercise of interests by a Participant, the independent Director(s) and the committee of the Supervisors shall issue clear opinions as to whether the conditions stipulated under the Share Option Incentive Scheme 2022 for the Participant to exercise such entitlements have been fulfilled.

1.3 Basis for Determining the Participants and the Scope of the Participants

(1) Legal Basis for Determining the Participants

Participants of the Share Option Incentive Scheme 2022 are determined in accordance with the Company Law, the Securities Law, the Administrative Measures, the Self-regulatory Guidelines No. 1 and other relevant laws, regulations and regulatory documents, as well as provisions of the Articles of Association with reference to the actual situations of the Company.

(2) Position Basis for Determining the Participants

The Participants of the Share Option Incentive Scheme 2022 shall be the core management and core technical or business personnel (excluding independent Directors, Supervisors, the Shareholders holding 5% or more of the Shares or the de facto controllers and their respective spouses, parents or children (if any)).

(3) Assessment Basis for Determining the Participants

In respect of the assessment matters for the Share Option Incentive Scheme 2022, the Remuneration Committee has formulated the Assessment Measures as the basis of assessment. The Participants will be assessed in accordance with the Assessment Measures and will be eligible to be granted the Share Option under the Share Option Incentive Scheme 2022 only if their assessment results are competent or above.

LETTER FROM THE BOARD

(4) *Verification of Participants*

- (i) After the Board has reviewed and approved the Share Option Incentive Scheme 2022, the Company shall internally publish the names and the positions of the Participants for a period of no less than 10 days.
- (ii) The committee of the Supervisors of the Company shall verify the list of the Participants and thoroughly consider opinions to the list. The Company shall publish the opinions of the committee of the Supervisors on the verification and the introduction to the publication of the list of the Participants 5 days before the Share Option Incentive Scheme 2022 is considered at the EGM and the Class Meetings of the Company. Any adjustments to the list of the Participants made by the Board shall also be subject to verification by the committee of the Supervisors of the Company.

(5) *Scope of Participants*

There are 113 Participants proposed to be granted under the Share Option Incentive Scheme 2022 in total, including:

- (i) Core management personnel of the Company; and
- (ii) Core technical or business personnel of the Company.

The number of Participants proposed to be granted Share Options under the Share Option Incentive Scheme 2022 shall not be increased in the future.

The Participants under the Share Option Incentive Scheme 2022 exclude the Company's independent Directors, Supervisors, the Shareholders holding 5% or more of the Shares or the de facto controllers and their respective spouses, parents or children (if any).

All the Participants must hold positions in and enter into labour contracts with the Company (including the Company's branch and holding subsidiaries) within the assessment period of the Share Option Incentive Scheme 2022.

LETTER FROM THE BOARD

1.4 Source of Shares and Number of Share Options

(1) Source of Shares

The source of the underlying Shares of the Share Option Incentive Scheme 2022 shall be ordinary A Shares to be directly issued to the Participants by the Company. The A Share(s) to be issued and allotted upon the Exercise of a Share Option will be subject to all the provisions of the Articles of Association, will entitle its holder(s) to enjoy all rights and fulfil all obligations as the A Shareholders (including those arising on a liquidation of the Company) and accordingly will entitle the holders to participate in all dividends or other distributions declared, paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment. The Share Option(s) per se will not entitle the relevant Participants the above-mentioned rights.

(2) Number of the Share Options

The Company intends to grant 2,170,000 Share Options (representing 2,170,000 A Shares which may be issued upon exercise of all such Share Options) to the Participants under the Share Option Incentive Scheme 2022, representing approximately 0.19% and 0.15% of the total issued A Shares (i.e. 1,149,211,680 A Shares) and total issued Shares (i.e. 1,437,478,880 Shares) as at the date of the Announcement, respectively.

The number of Shares of the Company to be granted to any of the Participants under the Share Option Incentive Scheme 2022 shall not exceed 1% of the relevant class of securities in issue when the Share Option Incentive Scheme 2022 is approved by the EGM and the Class Meetings.

During the period from the date of the Announcement to the completion of the exercise of Share Options by the Participants, the total number of underlying Shares involved shall be adjusted accordingly in the event of any capitalization issue, bonus issue, share subdivision, share consolidation or rights issue, etc.

LETTER FROM THE BOARD

1.5 Validity Period, Grant Date, Vesting Period, Exercisable Date and the Lock up Requirements of the Share Option Incentive Scheme 2022

(1) Validity Period of the Share Option Incentive Scheme 2022

The Validity Period of the Share Option Incentive Scheme 2022 shall commence from the date of the grant of the Share Options and end on the date on which all the Share Options granted to the Participants have been exercised or repurchased and cancelled, which shall not be longer than 60 months.

(2) Validity Period of the Share Options

The Validity Period of the Share Option granted under the Share Option Incentive Scheme 2022 shall commence from the date of the grant of the Share Options, and shall not be longer than 60 months.

(3) Grant Date

The Grant Date shall be determined by the Board after the Share Option Incentive Scheme 2022 is considered and passed at the EGM and the Class Meetings of the Company. The Grant Date must be a trading day falling within a period in compliance with the applicable Administrative Measures, listing rules, laws and regulations. Directors who are proposed Participants or related to the Share Option Incentive Scheme 2022 shall abstain from voting at the Board meeting which reviews and approves the Grant Date. The Company shall grant the Share Options and complete the announcement and registration procedures within 60 days (excluding the number of days where the Company is prohibited from granting Share Options pursuant to the applicable Administrative Measures, listing rules, laws and regulations) from the date on which the Share Option Incentive Scheme 2022 is considered and approved at the EGM and Class Meetings, failing which the Share Option Incentive Scheme 2022 will be terminated, and the Share Options which have not been granted will lapse.

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(4) *Vesting Period*

The Vesting Period for the Share Options under the Share Option Incentive Scheme 2022 shall commence from the date of grant of the Share Options and end on the first Exercisable Date of the Share Options. The Vesting Periods of the Share Options are 12 months, 24 months, 36 months and 48 months, respectively. During the Vesting Period, the Share Options which are granted to the Participants shall not be transferred, pledged for guarantees or used for repayment of debt.

(5) *Exercisable Date*

The Share Options granted to the Participants can be exercised after expiry of 12 months commencing from the date of the grant, subject to the consideration and approval of the Share Option Incentive Scheme 2022 at the EGM and the Class Meetings. The Exercisable Date must be a trading day and shall not fall within any of the following periods:

- (i) the period commencing on 30 days prior to the announcements of periodic reports of the Company, or in the event of postponement in publishing the periodic reports for special reasons, 30 days prior to the original announcement date and ending on one day prior to the actual announcement date;
- (ii) the period commencing on 10 days prior to the announcements of results forecast and preliminary results of the Company;
- (iii) the period commencing on the date of the occurrence of material events that may have significant impacts on trading price of Shares and derivatives of the Company, or the date of entering into the decision-making process, and ending on the date such events have been lawfully disclosed; and
- (iv) other periods prescribed by the CSRC and Shenzhen Stock Exchange.

If the relevant laws, administrative regulations and departmental rules have other provisions on the period during which the exercise is not allowed, the relevant provisions shall prevail.

LETTER FROM THE BOARD

During the Exercise Period, the Participants are able to exercise the Share Options according to the following exercising arrangement upon the fulfillment of the Exercise Conditions for the Share Options granted under the Share Option Incentive Scheme 2022.

The Exercise Period of the Share Options granted under the Share Option Incentive Scheme 2022 and timetable for each Exercise are set out below:

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

Share Options for which Exercise Conditions are not fulfilled during the above agreed period shall not be exercised or deferred to be exercised during the next Exercise Period, and the Company shall cancel the underlying Share Options of the Participants according to the principle stipulated in the Share Option Incentive Scheme 2022. After the end of each Exercise Period of the Share Options, the Share Options of the Participants for the current period that have not been exercised shall be terminated and cancelled by the Company.

LETTER FROM THE BOARD

(6) *Relevant lock-up provisions*

The lock-up period refers to the period during which there is sale restriction on Shares obtained by the Participants upon the Exercise. Lock-up provisions of the Share Option Incentive Scheme 2022 shall be implemented in accordance with the relevant laws, regulations and normative documents such as the Company Law and the Securities Law, as well as the Articles of Association, of which details are set out below:

- (i) where a Participant is a Director or a member of the senior management of the Company, the number of shares that may be transferred each year during his or her terms of office shall not exceed 25% of the total number of Shares held by him or her in the Company. No Shares held by him or her may be transferred within half a year upon his or her termination of office;
- (ii) where a Participant is a Director or a member of the senior management of the Company and he or she disposes of any Shares within six months after any purchase of Shares from the Company, or if he or she should purchase Shares within six months after disposal thereof, all gains deriving therefrom should be vested with the Company and the Board will forfeit all such gains; and
- (iii) where, during the Validity Period of the Share Option Incentive Scheme 2022, there is any change to the requirements regarding the transfer of shares held by Directors and members of senior management under relevant laws, regulations and normative documents such as the Company Law and the Securities Law, and under the Articles of Association, the transfer by such Participants shall comply with such amended requirements.

LETTER FROM THE BOARD

1.6 Exercise Price and basis of determination of the Exercise Price

- (1) The Exercise Price of the Share Options is RMB118.86 per A Share for the grant, i.e. upon the fulfillment of the Exercise Conditions, the Participants are able to purchase the A Shares issued by the Company to the Participants at the price of RMB118.86 per A Share.
- (2) The Exercise Price of the Share Options for the grant shall not be lower than the nominal value of the Shares, and not lower than the higher of the following:
 - (i) the average trading price of A Shares of the Company on the last trading day preceding the date of the Announcement (the total transaction value of A Shares on the last trading day/the total trading volume of A Shares on the last trading day), being RMB118.86 per A Share; and
 - (ii) the average trading price of A Shares of the Company for the last 20 trading days preceding the date of the Announcement (the total transaction value of A Shares for the last 20 trading days/the total trading volume of A Shares for the last 20 trading days), being RMB110.16 per A Share.

1.7 Conditions of the Grant and Exercise of the Share Options

(1) Conditions of the Grant

Share Options may be granted to the Participants by the Company upon satisfaction of all of the following conditions. In other words, Share Options cannot be granted to the Participants if any of the following conditions of grant is not satisfied:

- (i) There is no occurrence of any of the following events on the part of the Company:
 - ① issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;

LETTER FROM THE BOARD

- ② issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
 - ③ failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
 - ④ prohibition from the implementation of a share incentive by laws and regulations; or
 - ⑤ any other circumstances as determined by the CSRC.
- (ii) There is no occurrence of any of the following events on the part of the Participants:
- ① he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
 - ② he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
 - ③ he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access to market in the last 12 months due to material noncompliance of laws or regulations;
 - ④ he or she is prohibited from acting as a Director or a member of the senior management of the Company as required by the Company Law;
 - ⑤ he or she is prohibited from participating in the share incentive of listed companies as required by laws and regulations; or
 - ⑥ any other circumstances as determined by the CSRC.

LETTER FROM THE BOARD

(2) *Conditions of exercising the Share Options*

Share Options granted to the Participants are able to be exercised upon the fulfilment of the following conditions during the Exercise Period:

(i) There is no occurrence of any of the following events on the part of the Company:

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

(ii) There is no occurrence of any of the following events on the part of the Participants:

- ① he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
- ② he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
- ③ he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access to market in the last 12 months due to material noncompliance of laws or regulations;

LETTER FROM THE BOARD

- ④ he or she is prohibited from acting as a Director or a member of the senior management of the Company as required by the Company Law;
- ⑤ he or she is prohibited from participating in the share incentive of listed companies as required by laws and regulations; or
- ⑥ any other circumstances as determined by the CSRC.

In case any of the circumstances specified in the above sub-paragraph (i) has occurred on the part of the Company, all the Share Options that have been granted to the Participants under the Share Option Incentive Scheme 2022 but have not been exercised shall be cancelled by the Company; in case any of the circumstances specified in the above sub-paragraph (ii) has occurred on the part of any Participant, the Share Options that have been granted to the Participant under the Share Option Incentive Scheme 2022 but have not been exercised shall be cancelled by the Company.

- (iii) Performance assessment at company level as provided in the Assessment Measures

The assessment period of the Share Options under the Share Option Incentive Scheme 2022 covers four accounting years from 2022 to 2025. The assessment shall be conducted once a year.

The annual performance assessment targets of the Share Options granted are as follows:

Exercise period	Targets of performance assessment
First Exercise Period	The net profit of 2022 shall be no less than RMB8 billion;
Second Exercise Period	The accumulated net profit from 2022 to 2023 shall not be less than RMB18 billion;
Third Exercise Period	The accumulated net profit from 2022 to 2024 shall not be less than RMB28 billion;
Fourth Exercise Period	The accumulated net profit from 2022 to 2025 shall not be less than RMB38 billion.

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Note: The “net profit” mentioned above refers to the net profit attributable to the Shareholders after deducting non-recurring profit or loss, with the net profit excluding the share-based payments incurred by the Company’s implementation of Share Option Incentive Scheme 2022 as the calculation basis (in accordance with the China Accounting Standards for Business Enterprises).

If the Exercise Conditions of the Share Options are fulfilled, the Participants may exercise their Share Options according to the proportion as stipulated in the Share Option Incentive Scheme 2022. If the Company fails to achieve the above performance assessment targets, none of the Participants shall exercise their Share Options exercisable for the corresponding Assessment Year, which shall be cancelled by the Company.

- (iv) Performance assessment at segment/subsidiary level as provided in the Assessment Measures

Exercise of the Share Options is subject to the fulfillment of the performance commitment to the Company made by the segment or subsidiary to which the Participants belong. Detailed arrangements for exercise of the Share Options are shown in the following table:

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

Note: P represents the percentage of the actual fulfillment of performance of the segment or subsidiary to which the Participants belong in the previous year to the performance commitment.

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The Share Options which are to be exercised by the Participants in the segment/subsidiary for the period can only be exercised 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 Share Options which have been granted to and are to be exercised by the Participants in the segment/subsidiary for the period shall be cancelled by the Company according to the requirements under the Share Option Incentive Scheme 2022.

The Share Options which are to be exercised for a period shall correspond to the performance assessment at segment/subsidiary level, and the portion of the Share Options for which the performance commitment is not fulfilled in an Assessment Year shall not be deferred to the following year and shall be cancelled by the Company instead.

- (v) Performance assessment at individual level as provided in the Assessment Measures

The Remuneration Committee will grade the comprehensive assessment results of the Participants for each Assessment Year, the details of which are as follows:

Assessment results(S)	S\geq80	80>S\geq70	70>S\geq60	S<60
Standard quota	1.0	0.9	0.8	0

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

The Participants can only exercise part or all of their Share Options for a particular year when they meet the conditions during the performance assessment in the previous year. Whether a Participant can exercise his/her Share Options depends on the individual performance assessment results of the Participant under the Assessment Measures of the Company. The Share Options that cannot be exercised in an Assessment Year shall be cancelled by the Company.

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(3) *Scientificity and Reasonableness of the Assessment Indicators*

The assessment indicators of the Company's Share Option Incentive Scheme 2022 as provided in the Assessment Measures are divided into three levels, namely, the performance assessment at the company level, the performance assessment at segment/subsidiary level and the performance assessment at the individual level.

The indicators of performance assessment at the Company level are the net profit growth rate, which ultimately reflect the operation condition, profitability and growth of an enterprise. The indicator of net profit is an important indicator to measure the operation performance of an enterprise, which can help an enterprise to establish a good image in the capital market. After taking into consideration the macroeconomic environment, historical performance, development condition in the industry, market competition and the development plan of the Company in the future and other related factors, the Company has established the following performance assessment targets for the Share Option Incentive Scheme 2022: the net profit attributable to Shareholders after deducting non-recurring profit or loss in 2022 shall not be less than RMB8 billion, and the accumulated net profit attributable to Shareholders after deducting non-recurring profit or loss in 2022 to 2023, 2022 to 2024 and 2022 to 2025 shall not be less than RMB18 billion, RMB28 billion and RMB38 billion, respectively. The Company has established net profit indicator which is scientific and reasonable for the Share Option Incentive Scheme 2022, which is beneficial to motivating and mobilizing the work enthusiasm and initiative of the Participants, and therefore facilitating the achievement of the Company's strategic objectives.

In addition to the performance assessment at the Company level, the Company has established a strict performance assessment system for the segment/subsidiary and individuals, which evaluates comprehensively the performance of each segment/subsidiary and the Participants in an accurate and comprehensive manner. The Company will determine whether each segment/subsidiary and the Participants meet the exercise conditions based on their performance assessment results for the previous year.

Given the above, the assessment system for the Share Option Incentive Scheme 2022 of the Company is comprehensive, systematic and operable, and the assessment indicators are scientific and reasonable, which are binding on the Participants and can serve the assessment goal of the Share Option Incentive Scheme 2022.

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1.8 Methods of and procedures for adjustment

(1) Adjustment to the number of the Share Options

In the event of capitalization issue, bonus issue, share subdivision, rights issue or share consolidation of the Company prior to any Exercise by the Participants, the number of the Share Options shall be adjusted accordingly. The adjustment methods are as follows:

- (i) Capitalization issue, bonus issue, share subdivision

$$Q = Q_0 \times (1 + n)$$

Where: Q_0 represents the number of the Share Options prior to the adjustment; n represents the ratio of increase per Share resulting from capitalization issue, bonus issue or share subdivision (i.e. the number of increased share(s) per Share upon capitalization issue, bonus issue or share subdivision); and Q represents the number of the Share Options after adjustment.

- (ii) Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of the Share Options prior to adjustment; P_1 represents the closing price of the Share Options on the registration date; P_2 represents the price in respect of the rights issue; n represents the ratio of the rights issue (i.e. the number of Shares to be issued under the rights issue in proportion to the total share capital of the Company prior to the rights issue); and Q represents the number of Share Options after adjustment.

- (iii) Share consolidation

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of the Share Options prior to the adjustment; n represents the ratio of consolidation of Shares (i.e. one Share of the Company being consolidated into n Shares); and Q represents the number of the Share Options after the adjustment.

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- (iv) New shares issuance

In the case of new shares issuance by the Company, number of the Share Options shall not be adjusted.

(2) *Adjustment methods of the Exercise Price*

In the event of capitalization issue, bonus issue, share subdivision, rights issue or share consolidation of the Company prior to any Exercise by the Participants, the Exercise Price should be adjusted accordingly. The adjustment methods are as follows:

- (i) Capitalization issue, bonus issue, share subdivision

$$P = P0 \div (1 + n)$$

Where: P0 represents the Exercise Price prior to the adjustment; n represents the ratio of increase per Share resulting from the capitalization issue, bonus issue or Share Option subdivision; and P represents the Exercise Price after the adjustment.

- (ii) Rights issue

$$P = P0 \times (P1 + P2 \times n) \div [P1 \times (1 + n)]$$

Where: P0 represents the Exercise Price prior to the adjustment; P1 represents the closing price of the Share Options as at the registration date; P2 represents the price in respect of the rights issue; n represents the ratio of the rights issue (i.e. the number of Shares to be issued under the rights issue in proportion to the total share capital of the Company prior to the rights issue); and P represents the Exercise Price after the adjustment.

- (iii) Share consolidation

$$P = P0 \div n$$

Where: P0 represents the Exercise Price prior to the adjustment; n represents the ratio of share consolidation; and P represents the Exercise Price after the adjustment.

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- (iv) New shares issuance

In the case of new shares issuance by the Company, the Exercise Price shall not be adjusted.

(3) *Adjustment procedures for the Share Option Incentive Scheme 2022*

In the case of the foregoing events, the Board shall consider and pass a resolution on adjusting the number of Share Options and the Exercise Price. In respect of any such adjustments, other than any made on a capitalization issue, an independent financial adviser or the Company's auditors will confirm to the Directors in writing that the adjustments satisfy the requirements set out in the note of Rule 17.03(13) of the Listing Rules. The Company shall engage lawyers to provide professional advice to the Board on whether the above-mentioned adjustment is in accordance with the requirements under the Administrative Measures, the Articles of Association and the Share Option Incentive Scheme 2022. After the consideration and approval of the resolution on adjustment by the Board, the Company shall timely disclose the resolution of the Board in an announcement with the opinions from the law firm on the above-mentioned adjustment.

1.9 Procedures of amendments and termination

(1) *Procedures of amendments*

- (i) If the Company intends to amend the Share Option Incentive Scheme 2022 before it is considered at the EGM and the Class Meetings, such amendment shall be considered and approved by the Board.
- (ii) If the Company intends to amend the Share Option Incentive Scheme 2022 after it is considered and approved at the EGM and the Class Meetings, such amendment shall be considered and determined at a general meeting and class meetings of the Company given that such amendment shall not result in the following:
 - ① that will result in acceleration of the Exercise; or
 - ② that will lower the Exercise Price.

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(2) *Procedures of termination*

- (i) If the Company proposes to terminate the Share Option Incentive Scheme 2022 prior to the consideration of the Share Option Incentive Scheme 2022 at the EGM and the Class Meetings, such termination shall be considered and approved by the Board.
- (ii) If the Company proposes to terminate the Share Option Incentive Scheme 2022 after the consideration and approval of the Share Option Incentive Scheme 2022 at the EGM and the Class Meetings, such termination shall be considered and determined by a general meeting and class meetings of the Company.
- (iii) If the Company's general meeting and class meetings or the Board meeting considers and approves the resolution to terminate the implementation of the Share Options Incentive Scheme 2022, it shall not be allowed to review the Share Option Incentive Scheme 2022 in the following 3 months from the date of the announcement of the resolution.

1.10 Accounting Treatment of the Share Options under the Share Option Incentive Scheme 2022

(1) *Accounting Treatment*

In accordance with the requirements of the Accounting Standards for Enterprises No.11- Share-based Payment, the Company shall, on each balance sheet date during the Vesting Period, adjust the estimated number of Share Option that may be exercised in accordance with the latest number of the Participants who have fulfilled the exercise conditions and the performance indicators, and recognize the services received during the period as the relevant costs or expenses and capital reserve in accordance with the fair value of the Shares Option on the Grant Date.

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(2) *Calculation of the Fair Value of the Share Options*

The Ministry of Finance promulgated the Accounting Standards for Business Enterprises No. 11 – Share-based Payment and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments on 15 February 2006, which began to be applied by listed companies on 1 January 2007. According to the relevant provisions on the determination of fair value in the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, an appropriate valuation model is required to be selected to calculate the fair value of the Share Options. The Company chooses Black-Scholes model (B-S model) to calculate the fair value of the Share Options, and then uses the model to predict the total fair value of the Share Options to be RMB92,457,000 as at the Latest Practicable Date (the fair value will be measured on the Grant Date). The specific parameters were selected as below:

- (i) Price of the Underlying Shares: RMB118.99 per Share (assuming the closing price was RMB118.99 on the Grant Date)
- (ii) Exercise Price: RMB118.86 per A Share
- (iii) Validity Period: one, two, three and four years, respectively (based on the period commencing from Grant Date and ending on the first Exercisable Date for each respective period)
- (iv) Historical volatility ratio: 60.19%, 62.05%, 59.09% and 56.91%, respectively (adopted the historical volatility ratio of the Company in the latest one, two, three and four years, respectively)
- (v) Risk-free interest rate: 1.97%, 2.25%, 2.35% and 2.45%, respectively (adopted the yield of PRC treasury bond for one, two, three and four years)
- (vi) Dividend yield: 0.18%, 0.33%, 0.67% and 0.65%, respectively (the average dividend rate of the Company in one year, two years, three years and four years prior to the Announcement)

* *The fair value of the Share Options is only an estimate made by the Company under the Black-Scholes model and a number of assumptions. Therefore, the fair value estimated is subject to uncertainty and the limitation of the model.*

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(3) *Impact on the operating performance of the Company*

The fair value of the Share Options on the Grant Date which is determined in accordance with the relevant valuation method, and the costs of payment of Shares under the Share Option Incentive Scheme 2022 which is determined finally, will be amortized in accordance with the percentage of Share Options exercised during the implementation of the Share Option Incentive Scheme 2022. The incentive costs incurred from the Share Option Incentive Scheme 2022 will be charged to the recurring profit and loss.

Assuming that the Company grants Share Options to the Participants at the end of June 2022, according to the requirements of the PRC accounting standards, the impact of the Share Options granted under the Share Option Incentive Scheme 2022 on accounting costs of each period is shown in the following table:

Number of Share Options granted <i>(0'000)</i>	Total costs to be amortized <i>(RMB0'000)</i>	2022	2023	2024	2025	2026
		<i>(RMB0'000)</i>	<i>(RMB0'000)</i>	<i>(RMB0'000)</i>	<i>(RMB0'000)</i>	<i>(RMB0'000)</i>
217.00	9245.70	2134.64	3483.64	2133.15	1139.21	355.06

Note: The above results do not represent the final accounting cost, in addition to the actual Grant Date, grant price and grant number, the actual accounting cost also relates to the number of equity which actually take effect and lapse, and the final results of the impact of the above costs amortization on the operation results of the Company is subject to the annual audit report to be issued by the accountant firm.

According to the preliminary evaluation by the Company based on the information available, without taking into account the stimulus effects of the Share Option Incentive Scheme 2022 on the results of the Company, the amortization of the costs of Share Options Incentive Scheme shall affect the net profit of each year during the Validity Period, but the effect will not be substantial. Taking into consideration the positive impact of the Share Option Incentive Scheme 2022 on the development of the Company, such as motivating the management team, increasing the operational efficiency, and reducing agent costs, the benefits generated from the improvement in the Company's results due to the Share Option Incentive Scheme 2022 shall far exceed the increase in expenses.

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2. PROPOSED GRANT

The distribution details of the Share Options to be granted under the Share Option Incentive Scheme 2022 among each Participant are set out as follows:

Position(s)	Number of the Share Options to be granted <i>(in 10,000 Shares)</i>	Percentage to total number of the Share Options to be granted	Percentage to the issued relevant classes of securities at the date of Announcement	Percentage to total issued Shares at the date of the Announcement
113 core management and core technical or business personnel	217.00	100.00%	0.19%	0.15%
Total (113)	<u>217.00</u>	<u>100.00%</u>	<u>0.19%</u>	<u>0.15%</u>

Notes:

1. None of the abovementioned Participants will be granted Shares of more than 1% of the Company's issued relevant classes of securities on a cumulative basis through the fully effective Share Option Incentive Scheme 2022. The total underlying Shares of the Company involved under the fully effective Share Option Incentive Scheme 2022 and the Share Option Incentive Scheme 2021 will not exceed 10% of the Company's issued relevant classes of securities as at the date of the proposal of the Share Option Incentive Scheme 2022 at the EGM and Class Meetings.
2. None of the Participants of the Share Option Incentive Scheme 2022 is a shareholder or an actual controller of the Company who owns or controls more than 5% Shares, or the parents, spouse, son or daughter of such Shareholder or actual controller.
3. None of the Participants of the Share Option Incentive Scheme 2022 is a Director.
4. The number of Participants mentioned above (i.e. 113) shall not be increased in the future.

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3. MECHANISM FOR SPECIFIC OCCURRENCES TO THE COMPANY AND THE PARTICIPANTS

3.1 *Occurrences in respect of the Company*

The Share Option Incentive Scheme 2022 shall be terminated for implementation in case any of the following events occurs to the Company. Any Share Options which have been granted to the Participants for exercise but not yet exercised shall be terminated, and the Share Options which are not granted for exercise shall not be exercised and shall be cancelled by the Company:

- (1) issue of the auditors' report with an adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
- (2) issue of the auditors' report with an adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the Company in its financial report for the most recent accounting year;
- (3) failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the 36 months after listing;
- (4) prohibition from implementation of a share incentive scheme by laws and regulations;
- (5) any other circumstances under which the Share Option Incentive Scheme 2022 shall be terminated as determined by the CSRC.

On occurrence of any of the following circumstances in respect of the Company, the Share Option Incentive Scheme 2022 shall proceed as usual:

- (1) change of control of the Company;
- (2) spin-off and merger of the Company.

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Where false statements, misleading statements in or material omissions from the information disclosure documents of the Company result in noncompliance with grant conditions or Exercise arrangements of the Share Options, all outstanding Share Options shall be cancelled by the Company. In respect of the Share Options already exercised by relevant Participants, all Participants concerned shall return to the Company all interests granted. The Participants who bear no responsibility for the aforementioned matters and incur losses as a result of the return of the interests may seek compensation from the Company or responsible parties in accordance with relevant arrangements under the Share Option Incentive Scheme 2022.

3.2 Occurrences in respect of the Participants

- (1) In case a Participant has his/her job position changed but still works in the Company or a branch or a subsidiary of the Company, the Shares Options granted to him/her will be implemented wholly according to the procedures specified in the Share Option Incentive Scheme 2022 before such position change. However, in case a Participant has a job change because he/she is not qualified for his/her job, violates laws, disobeys professional ethics, reveals confidential information of the Company, fails to discharge his/her duties or has willful misconduct, causing damages to the interest or reputation of the Company; or the Company terminates the employment relationship with the Participant for any of the above reasons, the Board may decide to terminate the Share Options granted to the Participant for exercise but not yet being exercised according to the Share Option Incentive Scheme 2022, and the Share Options which are not granted for exercise shall not be exercised and shall be cancelled by the Company. The Participant shall pay the individual income tax for the exercised part before he/she leaves the Company.

- (2) In case a Participant has his/her job position changed because he/she is not qualified for his/her original position and is rated as unqualified in performance assessment, the Board may determine the Share Options which had been granted to the Participant for exercise but not yet being exercised under the Share Option Incentive Scheme 2022 shall not be exercised, and such Share Options shall be cancelled by the Company. The Participant shall pay the individual income tax for his/her exercised part before he/she leaves the Company.

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- (3) When a Participant holds a position in a holding subsidiary of the Company, if the Company loses control over the subsidiary and the Participant still works in such subsidiary, the Share Options exercised by the Participant shall continue to be valid. He/She may not exercise the Share Options which had been granted to him/her for exercise but not yet being exercised, and such Share Option shall be cancelled by the Company. The Participant shall pay the individual income tax for his/her exercised Share Options. If the Participant is recalled and holds a position in the Company, the Share Options granted to him/her shall still be implemented in accordance with the procedures specified in the Share Option Incentive Scheme 2022.
- (4) In case a Participant leaves the Company due to resignation, dismissal, expiration of employment contract or redundancy (except for the reasons set out in subsection (1) above), the Board may decide, on the date of occurrence of such events, to terminate the Share Options granted to the Participant for exercise but not yet being exercised under the Share Option Incentive Scheme 2022, and the Share Options which are not allowed to be exercised shall not be exercised and shall be cancelled by the Company. The Participant shall pay the individual income tax for his/her exercised Share Options before he/she leaves the Company.
- (5) In case a Participant ceases to hold a position in the Company due to retirement, the Board may decide, on the date of occurrence of such event, to terminate the Share Options granted to the Participant for exercise but not yet being exercised under the Share Option Incentive Scheme 2022, and the Share Options which are not allowed to be exercised shall not be exercised and shall be cancelled by the Company. The Participant shall pay the individual income tax for his/her exercised Share Options before he/she leaves the Company.
- (6) In case a Participant leaves the Company due to loss of ability to work, then:
 - (i) In case the Participant loses his/her ability to work due to occupational injury and leaves the Company, the Share Options granted to him/her will be implemented wholly according to the procedures specified in the Share Option Incentive Scheme 2022 before his/her loss of ability to work, and the Board may decide not to take his/her personal performance results as Exercise Conditions; or

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- (ii) In case the Participant loses his/her ability to work not due to performance of his/her duties and leaves the Company, the Board may decide to terminate the Share Options granted to the Participant for exercise but not yet being exercised under the Share Option Incentive Scheme 2022, and the Share Options which are not allowed to be exercised shall not be exercised and shall be cancelled by the Company. The Participant shall pay the individual income tax for his/her exercised part before he/she leaves the Company.

The Share Options granted to the Participant for exercise but not yet being exercised can be retained the exercise rights. The Participant shall exercise such options within 6 months and pay the corresponding individual income tax, and the Share Options which have not been exercised within 6 months are not allowed to be exercised and shall be cancelled by the Company. The Share Options which are not allowed to be exercised shall not be exercised and shall be cancelled by the Company.

- (7) In the case of death of a Participant, then:
 - (i) In case a Participant dies during performance of his/her duties, the Share Options granted to him/her are to be held by his/her designated heir or legal heir on his/her behalf, and shall be entirely implemented according to the procedures specified in the Share Option Incentive Scheme 2022 before his/her death. The Board may decide not to take his/her personal performance results as Exercise Conditions; or
 - (ii) In case a Participant dies due to other reasons, the Share Options granted to him/her for exercise but not yet being exercised shall not be exercised, and such Share Options shall be cancelled by the Company. The heir shall pay the individual income tax for the exercised Share Options before he/she inherits the exercised Share Options.
- (8) Other unspecified circumstances and the solutions of such circumstances shall be determined by the Board.
- (9) The Directors who are proposed to be the Participants or related to them should abstain from voting when the Board reviews relevant proposals.

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3.3 Resolution of Disputes between the Company and the Participants

If disputes arise between the Company and the Participants, the disputes shall be settled according to the Share Option Incentive Scheme 2022 and the provisions of Share Option Incentive Agreement (《股票期權激勵協議書》); if such provisions are unclear, the parties shall solve the disputes through negotiation in accordance with PRC laws and in the principle of fairness and reasonableness; and if the negotiation fails, the disputes shall be submitted to the People's Court with justification in the domicile of the Company for settlement through litigation.

4. RESPECTIVE RIGHTS AND OBLIGATIONS OF THE COMPANY AND THE PARTICIPANTS

4.1 Rights and Obligations of the Company

- (i) The Company shall have the right to construe and execute the Share Option Incentive Scheme 2022 and shall assess the performance of the Participants based on the requirements under the Share Option Incentive Scheme 2022. If a Participant fails to fulfill the Exercise Conditions required under the Share Option Incentive Scheme 2022, the Company will cancel the Share Options, which have not been exercised by the Participants, in accordance with the principles under the Share Option Incentive Scheme 2022.
- (ii) The Company undertakes not to provide loans or financial support in any other forms, including providing guarantee for loans, to the Participants for acquiring the Share Options under the Share Option Incentive Scheme 2022.
- (iii) In accordance with the provisions of PRC tax laws and regulations, the Company withholds and pays the individual income tax and other taxes that the Participants should pay.
- (iv) The Company shall discharge its obligations in a timely manner in relation to report and information disclosure under the Share Option Incentive Scheme 2022 in accordance with the relevant requirements.

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- (v) The Company shall actively support the Participants who have fulfilled the Exercise Conditions to exercise the Share Options in accordance with the relevant requirements including those of the Share Option Incentive Scheme 2022, the CSRC, stock exchanges, China Securities Depository and Clearing Corporation Limited. However, the Company disclaims any liability for losses incurred by the Participants who fail to exercise the Share Options at their own will, due to reasons caused by the CSRC, stock exchanges and China Securities Depository and Clearing Corporation Limited.
- (vi) The Company confirms that the eligibility of the Participants under the Share Option Incentive Scheme 2022 does not represent the right of such Participants to continue to serve the Company and does not constitute a commitment of employment for a fixed term by the Company. The employment relationship between the Company and the Participants is still governed by the employment contract between the parties.
- (vii) Other relevant rights and obligations under the laws, administrative regulations and regulatory documents.

4.2 *Rights and Obligations of the Participants*

- (i) A Participant shall comply with the requirements of his/her position as stipulated by the Company, and shall work diligently and responsibly, strictly observe professional ethics, and make contribution to the development of the Company.
- (ii) The source of funds of subscribing Share Options shall be self-financed by the Participants.
- (iii) The Share Options granted to the Participants shall not be transferred or used as guarantee or for repayment of debts during the Vesting Period.
- (iv) Any gains of the Participants generated from the Share Option Incentive Scheme 2022 are subject to individual income tax and other taxes according to PRC tax regulations.

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- (v) The Participants undertake, where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or arrangements for exercise of the entitlements, the Participants concerned shall return to the Company all interests gained through the Share Option Incentive Scheme 2022 calculated from the date when it is confirmed that the relevant information disclosure documents of the Company contain false statements or misleading representations or material omissions.
- (vi) Upon consideration and approval of the Share Option Incentive Scheme 2022 at the EGM and Class Meetings, the Company will sign a Share Option Incentive Agreement with each Participant in order to define their respective rights and obligations under the Share Option Incentive Scheme 2022 and other relevant matters.
- (vii) Other relevant rights and obligations under the laws, regulations and the Share Option Incentive Scheme 2022.

5. PROPOSED MANDATE TO THE BOARD

To ensure the smooth implementation of the Share Option Incentive Scheme 2022, it is proposed to the EGM and Class Meetings to authorize the Board to deal with all issues in relation to the Share Option Incentive Scheme 2022 at their full discretion, among which the Directors who are proposed to be the Participants should abstain from the determination and execution of the mandates below, including but not limited to:

- (1) to determine the Grant Date of the Share Option Incentive Scheme 2022;
- (2) on the occurrence of capitalization issue, bonus issue, share subdivision or share consolidation or right issues, to make corresponding adjustments to the number of the Share Options in accordance with the methods stipulated in the Share Option Incentive Scheme 2022 considered and approved by the EGM and Class Meetings;
- (3) on the occurrence of capitalization issue, bonus issue, share subdivision or share consolidation or right issues or dividend distribution, to make corresponding adjustments to the Exercise Price in accordance with the methods stipulated in the Share Option Incentive Scheme 2022 considered and approved by the EGM and Class Meetings;
- (4) to grant Share Options to Participants when he/she meets the grant conditions and to deal with all matters required related to such grant;

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- (5) to examine and confirm whether the Participants are qualified to Exercise and whether the Participants fulfill the Exercise Conditions, to authorize the Board to grant such rights to the Remuneration Committee;
- (6) to determine whether the Participants are able to exercise the Share Options;
- (7) to deal with all necessary matters in relation to the Exercise of Share Options, including but not limited to submission of the Exercise application to the Shenzhen Stock Exchange, application to the Registration and Settlement Company for registration and settlement, amendments to the Articles of Association and registration of changes in the registered capital of the Company;
- (8) to deal with the matters in relation to the exercise of the Share Options yet to be exercised;
- (9) to determine and deal with the matters in relation to the changes and termination of the Share Option Incentive Scheme 2022, including but not limited to the cancellation of the qualification of the Participants to exercise, the cancellation of the granted Share Options that are not exercised by the Participants yet, dealing with succession issues in respect to the Share Options that are not exercised by Participants who met the Exercise Conditions prior to their death, and determining the withdrawal of the interests of the Participants obtained from the Exercise of the Share Options in accordance with the Share Option Incentive Scheme 2022;
- (10) to manage the Share Option Incentive Scheme 2022, and to formulate or amend the management and implementation requirements of the Share Option Incentive Scheme 2022 in accordance with the terms of the Share Option Incentive Scheme 2022; however, if the laws, regulations and relevant regulatory authorities require such amendments to be approved by the general meeting of the Company or/and relevant regulatory authorities, the amendments of the Board must be approved accordingly;
- (11) other necessary matters in relation to the execution of the Share Option Incentive Scheme 2022, except that the rights of the general meeting clearly stipulated in relevant documents;
- (12) to handle procedures for consideration, registration, filling, approval, consent, etc.; signing, implementing, modifying and completing documents submitted to relevant governments, institutions, organizations and individuals; amendments of the Articles of Association; changes of the registered capital of the Company and all actions the Board considers necessary, appropriate or suitable in relation to the Share Option Incentive Scheme 2022;

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- (13) to appoint financial advisor, receiving bank, accountants, lawyers, securities firm and other intermediaries; and
- (14) to ensure the period of authorization given to the Board to be consistent with the validity period of the Share Option Incentive Scheme 2022.

The valid period of the above authorization is consistent with that of the Share Option Incentive Scheme 2022.

6. IMPLICATION OF THE LISTING RULES

The Share Option Incentive Scheme 2022 constitutes a share option scheme under Chapter 17 of the Listing Rules, which is subject to the announcement and Shareholders' approval requirements. Accordingly, any grant of Share Options under the Share Option Incentive Scheme 2022 to any Participant who is a connected person of the Company will be exempted from all the reporting, announcement and independent Shareholders' approval requirements pursuant to Rule 14A.92(3) (a) of the Listing Rules.

None of the Directors have any material interest in the Share Option Incentive Scheme 2022 or, are proposed to be the Participants or related to them. Accordingly, no Directors were required to abstain from voting on the Board resolutions in relation to the Share Option Incentive Scheme 2022.

7. APPLICATION FOR WAIVER

Under note 1 to Rule 17.03(9) of the Listing Rules, the exercise price of the share options to be granted under a share option scheme must be the higher of (i) the closing price of the securities as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day and (ii) the average closing price of the securities as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

Pursuant to Rule 19A.39C of the Listing Rules, the Stock Exchange may waive the requirement under note 1 to Rule 17.03(9) of the Listing Rules for a share option scheme of a PRC issuer dually listed on the Stock Exchange and a PRC stock exchange, provided that: (i) the scheme involves only shares listed on the PRC stock exchange; and (ii) the scheme contains provisions to ensure that the exercise price of the options is no less than the prevailing market price of the relevant shares on the PRC stock exchange at the time of grant of the options.

LETTER FROM THE BOARD

Under the Share Option Incentive Scheme 2022, the determination of the Exercise Price is in accordance with the relevant laws and regulations of the PRC, in particular, the Measures for the Administration of Equity Incentives of Listed Companies (《上市公司股權激勵管理辦法》) promulgated by the CSRC, and consistent with the requirements under Rule 19A.39C of the Listing Rules. The Exercise Price of the Share Options shall not be lower than the nominal value of the Shares, and shall not be lower than the higher of (i) the average trading price of A Shares of the Company on the last trading day preceding the date of the Announcement (the total transaction value of A Shares on the last trading day/the total trading volume of A Shares on the last trading day), being RMB118.86 per A Share; and (ii) the average trading price of A Shares of the Company for the last 20 trading days preceding the date of the Announcement (the total transaction value of A Shares for the last 20 trading days/the total trading volume of A Shares for the last 20 trading days), being RMB110.16 per A Share.

The Company has applied for and the Stock Exchange has granted a waiver from strict compliance with note 1 to Rule 17.03(9) of the Listing Rules in respect of the Exercise Price of the Share Options that may be granted under the Share Option Incentive Scheme 2022 under Rule 19A.39C on the basis that, among other things, (i) the grant of Share Options, if any, shall involve A Shares only; (ii) as confirmed by the Company's PRC legal advisers, the determination of the Exercise Price of the Share Options is in accordance with the relevant laws and regulations of the PRC, in particular, the Measures for the Administration of Equity Incentives of Listed Companies (《上市公司股權激勵管理辦法》) promulgated by the CSRC; (iii) the determination of the Exercise Price is consistent with the requirements under Rule 19A.39C of the Listing Rules; (iv) the Company confirms that, save for the determination of the Exercise Price, all other terms of the Share Option Incentive Scheme 2022 are in compliance with Chapter 17 of the Listing Rules; (v) the principal terms of the Share Option Incentive Scheme 2022 and the determination of the Exercise Price are subject to the approval by the Shareholders at the EGM and the Class Meetings of the Company; (vi) the principal terms of the Share Option Incentive Scheme 2022 and the determination of the Exercise Price are and will be set out in the Announcement and this circular, which would provide potential investors with sufficient information to make a relevant assessment of the Company in their investment decision making process. The details of any subsequent grant of the Share Options, the exercise price and other principal terms will be disclosed by way of announcement(s); and (vii) the waiver will not prejudice the interest of the investing public based on the reasons above and that the amount of A Shares to be issued upon exercise of the Share Options to be granted under the Share Option Incentive Scheme 2022 will be insignificant.

LETTER FROM THE BOARD

8. INFORMATION ON THE COMPANY AND REASONS FOR AND BENEFITS OF ADOPTING THE SHARE OPTION INCENTIVE SCHEME 2022

The Company is principally engaged in the production of lithium hydroxide, lithium carbonate, lithium fluoride and butyl lithium; and the production, processing and sales of non-ferrous metals, batteries, instrumentation components, machinery and equipment, chemical products, chemical raw materials, and chemical products.

The Share Option Incentive Scheme 2022 can further improve the corporate governance structure, perfect the incentive binding mechanism of the Company, form a sound and balanced valuation allocation system and fully arouse the enthusiasm of the middle and senior management of the Company, as so to motivate them to work in integrity and diligence and to ensure the stable improvement of the results of the Company and the achievement of the development strategy and operation objectives of the Company. The Directors (including independent non-executive Directors) believe that the adoption of the Share Option Incentive Scheme 2022 will help the Company achieve the above objectives, and are also of the view that the terms and conditions of the Share Option Incentive Scheme 2022 are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

II. THE EGM AND THE CLASS MEETINGS

The notices of the EGM and the H Share Class Meeting are set out on pages 38 to 41 of this circular.

The proposed resolutions regarding the proposed adoption of Share Option Incentive Scheme 2022 and proposed authorization to the Board to deal with relevant matters in relation to the Share Option Incentive Scheme 2022 are subject to the approval by way of special resolutions of Shareholders at the EGM and the Class Meetings pursuant to the Articles of Association and The Shenzhen Stock Exchange Listing Rules and Guidelines of the Shenzhen Stock Exchange for the Standard Operation of Listed Companies (Revised in 2020), 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.

Pursuant to the Listing Rules and the Articles of Association, any vote of the Shareholders at a general meeting shall be taken by poll except where the chairman of such meeting, 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. An announcement on the poll results will be made by the Company after the EGM and the H Share Class Meeting in the manner prescribed under the Listing Rules.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolutions set out in this circular.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby he/she has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his/her Shares to a third party, either generally or on a case-by-case basis. Accordingly, to the best knowledge, information and belief of the Directors, there exists no discrepancy between any Shareholder's beneficial shareholding interest in the Company and the number of Shares in respect of which such Shareholder will control or will be entitled to exercise control over the voting right at the EGM and the Class Meetings.

Whether or not you are able to attend the EGM and the H Share Class Meeting 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 and the H Share Class Meeting 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 the H Share Class Meeting or any adjournment thereof should you so desire.

III. DOCUMENTS PUBLISHED ON WEBSITES AND AVAILABLE FOR INSPECTION

Copies of the following documents will be published on the websites of Stock Exchange and the Company for a period of not less than 14 days before the date of the EGM and will be made available for inspection at the EGM:

- (a) the Share Option Incentive Scheme 2022; and
- (b) the Management Measures for the Implementation of the Share Option Incentive Scheme 2022.

LETTER FROM THE BOARD

IV. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

V. RECOMMENDATION

The Board (including the independent non-executive Directors) considers that all the resolutions to be proposed at the EGM and the Class Meetings are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that Shareholders eligible to vote at the EGM and the Class Meetings to attend and vote in favour of all the resolutions.

Yours faithfully

For and on behalf of the Board

GANFENG LITHIUM CO., LTD.

LI Liangbin

Chairman

NOTICE OF THE EGM



Ganfeng Lithium Co., Ltd. 江西赣锋锂业股份有限公司

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

(Stock Code: 1772)

NOTICE OF THE 2021 AGM

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**EGM**”) of Ganfeng Lithium 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, August 25, 2022 at 2:00 p.m. for the following purposes. Unless otherwise stated, the terms used herein and in the following resolutions shall have the same meanings as defined in the circular of the Company dated August 5, 2022 (the “**Circular**”), for which the notice convening the EGM shall constitute a part. The following resolutions shall be considered and approved, if thought fit, at the EGM:

SPECIAL RESOLUTIONS

1. Proposed adoption of the Share Option Incentive Scheme 2022
2. Regarding the assessment management measures for the implementation of the Share Opinion Incentive Scheme 2022
3. Proposed authorization to the Board to deal with relevant matters in relation to the Share Option Incentive Scheme 2022

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

August 5, 2022

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.

NOTICE OF THE EGM

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, August 22, 2022 to Thursday, August 25, 2022, 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 Hong Kong Stock Exchange (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, August 19, 2022 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, August 19, 2022 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, August 15, 2022).
- (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, August 24, 2022, 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 in connection with the EGM.
- (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.
- (I) 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.

NOTICE OF THE H SHARE CLASS MEETING



Ganfeng Lithium Co., Ltd. 江西赣锋锂业股份有限公司

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

(Stock Code: 1772)

NOTICE OF THE H SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that a H Share Shareholders Class Meeting (the "**H Share Class Meeting**") of Ganfeng Lithium Co., Ltd. (the "**Company**") will be held on Thursday, August 25, 2022 immediately after the conclusion of the A Share Shareholders Class Meeting (the "**A Share Class Meeting**") 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 to consider and, if thought fit, to pass the following resolutions:

SPECIAL RESOLUTIONS

1. Proposed adoption of the Share Option Incentive Scheme 2022
2. Regarding the assessment management measures for the implementation of the Share Opinion Incentive Scheme 2022
3. Proposed authorization to the Board to deal with relevant matters in relation to the Share Option Incentive Scheme 2022

By order of the Board
GANFENG LITHIUM CO., LTD.

LI Liangbin
Chairman

August 5, 2022

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.

NOTICE OF THE H SHARE CLASS MEETING

Notes:

- (A) In order to determine the list of shareholders of the Company who will be entitled to attend and vote at the H Share Class Meeting, the registers of members of the Company will be closed from Monday, August 22, 2022 to Thursday, August 25, 2022, 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 Hong Kong Stock Exchange (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, August 19, 2022 shall be entitled to attend and vote at the H Share Class Meeting. In order for the holders of H Shares to qualify to attend and vote at the H Share Class Meeting, 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, August 19, 2022 for registration.
- (B) Holders of H Shares intending to attend the H Share Class Meeting (or any adjournment thereof) should complete and return the reply slip for attending the H Share Class Meeting (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 H Share Class Meeting (i.e. on or before Monday, August 15, 2022).
- (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 H Share Class Meeting (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 H Share Class Meeting (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 H Share Class Meeting (i.e. not later than 2:00 p.m. on Wednesday, August 24, 2022, 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 in connection with the H Share Class Meeting.
- (G) A shareholder of the Company or his proxy should produce proof of identity when attending the H Share Class Meeting (or any adjournment thereof). If a corporate shareholder’s legal representative or any other person duly authorised by such corporate shareholder attends the H Share Class Meeting (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 H Share Class Meeting (or any adjournment thereof) is expected to last for one day. Shareholders who attend the H Share Class Meeting (or any adjournment thereof) shall bear their own travelling and accommodation expenses.
- (I) 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.