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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)

ADJUSTMENT TO THE EXERCISE PRICE AND NUMBER OF SHARE OPTIONS GRANTED UNDER THE 2022 SHARE OPTION INCENTIVE SCHEME

References are made to (i) the announcement of Ganfeng Lithium Co., Ltd. (the “**Company**”) dated May 25, 2022 in relation to the proposed adoption of the 2022 Share Option Incentive Scheme and the proposed grant of Share Options thereunder; (ii) the circular of the Company dated August 4, 2022 (the “**Circular**”) in relation to, among other things, the proposed adoption of the 2022 Share Option Incentive Scheme; and (iii) the announcement of the Company dated August 25, 2022 in relation to the poll results of, among other things, the resolutions to approve the adoption of the 2022 Share Option Incentive Scheme by the Shareholders. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

INTRODUCTION

Given that 3 Participants determined by the 2022 Share Option Incentive Scheme resigned due to the personal reasons, the Company decide to the cancel the incentive qualification of the above Participants (105 thousand Share Option in total). The Company convened the 48th meeting of the fifth session of the Board, at which the adjustments to the list of Participants of the Grant of Share Options and number of Shares Options granted under the Share Option Incentive Scheme have been made, in accordance with the authorizations delegated at the EGM and Class Meetings. After such adjustments, the number of Participants of the Scheme is adjusted from 113 to 110, and the number of Share Options granted is adjusted from 2.17 million to 2.065 million.

The Profit Distribution Proposal for 2021 was approved by the Shareholders at each of the 2021 annual general meeting, the first H Share class meeting of 2022 and the first A Share class meeting of 2022 of the Company held on June 15, 2022. As part of the Profit Distribution Proposal for 2021, cash dividend of RMB3.0 (tax inclusive) for every ten (10) Shares will be distributed to all Shareholders with the undistributed profit based on the total share capital of the Company as at the record date at the time of distribution of annual profit; and four (4) Bonus Shares for every ten (10) Shares will be issued by way of conversion of capital reserve. On September 5, 2022, the Board considered and approved the resolutions in relation to the adjustment to the relevant matters of 2022 Share Option Incentive Scheme.

ADJUSTMENT TO THE EXERCISE PRICE AND NUMBER OF SHARE OPTIONS GRANTED UNDER THE 2022 SHARE OPTION INCENTIVE SCHEME

Following the implementation of the Profit Distribution Proposal for 2021, 4 new Shares will be issued for every existing 10 Shares held by the Shareholders and a cash dividend of RMB3 (inclusive of tax) for every 10 Shares will be distributed to the Shareholders.

Adjustment to the exercise price

Pursuant to the relevant provisions of the 2022 Share Option Incentive Scheme, in the event of any capitalization issue, bonus issue or share subdivision prior to the exercise of the Share Options, the Company shall adjust the exercise price of the Share Options as follows:

$$P = P_0 \div (1 + n)$$

Where: P_0 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.

Adjustment to the number of Share Options

Pursuant to the relevant provisions under the 2022 Share Option Incentive Scheme, in the event of, among other things, any capitalization issue, bonus issue or share subdivision prior to the exercise of the Share Options, the Company shall adjust the number of Share Options as follows:

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

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.

In light of the above, the number of Share Options granted under the 2022 Share Option Incentive Scheme shall be adjusted to 2.891 million units and the exercise price of which shall be adjusted to RMB84.90 per unit (the “Adjustment”).

OPINION OF THE INEDS

Upon verification, the independent non-executive directors of the Company are of the view that: the matters relating to the adjustment of the number of Participants to be granted, the exercise price and the number of share options under the 2022 Share Option Incentive Scheme by the Company were in compliance with provisions of the Administrative Measures for Equity Incentives of Listed Companies (《上市公司股權激勵管理辦法》), other laws and regulations as well as the requirements of the 2022 Share Option Incentive Scheme (Draft). All the decisions made have fulfilled the necessary procedures which are legal and compliant without any prejudice to the interests of the Company and shareholders as a whole. In view of the above, we agreed to the adjustment of the number of Participants to be granted, the exercise price and the number of share options under the 2022 Share Option Incentive Scheme.

EXAMINATION OPINION FROM THE SUPERVISORY COMMITTEE

After examination, the supervisory committee of the Company are of the view that: the adjustment of the number of Participants to be granted, the exercise price and the number of share options under the 2022 Share Option Incentive Scheme are in compliance with the Administrative Measures for Equity Incentives of Listed Companies (《上市公司股權激勵管理辦法》) and other laws and regulations as well as the provisions of the Articles of Association, without any prejudice to the interests of the Company and shareholders as a whole, and agreed to adjust the exercise price of the stock options from RMB118.86 per share (A share) to RMB84.90 per share (A share), while the number of stock options is adjusted from 2.065 million units to 2.891 million units.

LEGAL OPINION FROM THE PRC COUNSEL OF THE COMPANY

The counsel believed that the adjustment to the 2022 Share Option Incentive Scheme by the Company has obtained necessary authorization and approval at this stage by performing the corresponding procedures, which was complied with relevant provisions of the Management Measures and the Incentive Scheme (Draft). The reasons for and the method of the adjustment and the adjusted exercise price were in compliance with the Administrative Measures and other laws and regulations, regulatory documents and relevant provisions of the Incentive Scheme, and the adjustment will not have material effects on the Company's financial position and operating results.

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

Jiangxi, PRC
September 5, 2022

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