

**Ad hoc announcement pursuant to Art. 53 LR**

**Ningbo Shanshan Co., Ltd.**

**Announcement on the Resolution of the Twenty-first Meeting of the Tenth Session of the Board of Supervisors**

**I. Convening of the Meeting of the Board of Supervisors**

(I) The convening of the Twenty-first Meeting of the Tenth Session of the Board of Supervisors of Ningbo Shanshan Co., Ltd. (the “Company”) was in compliance with the Company Law of the People's Republic of China, the Articles of Association of Ningbo Shanshan Co., Ltd. (the “Articles of Association”) and the relevant laws and regulations.

(II) Notice of this meeting of the Board of Supervisors was given in writing on 1 August 2022

(III) This meeting of the Board of Supervisors was held on 11 August 2022 by way of communication voting.

(IV) There were 3 supervisors should attend the meeting of the Board of Supervisors, among which, 3 supervisors actually attended the meeting, and there were no absent supervisors.

**II. Particulars of the Meeting of the Board of Supervisors**

The following proposals were considered and approved at the meeting:

**(I) Proposal on the Full Text and Summary of the Interim Report of Ningbo Shanshan Co., Ltd. for 2022;**

(For details, please refer to the website of the Shanghai Stock Exchange)

(3 voted in favor, 0 voted against, 0 abstained)

The Board of Supervisors of the Company, in accordance with the relevant regulations, has made careful and strict examination on the full text and summary of the 2022 Interim Report prepared by the Board of Directors and has issued the following written opinions:

1. The procedures for the preparation and consideration of the Company's 2022 Interim Report were in compliance with the relevant laws and regulations, the Articles of Association and other provisions.

2. The content and format of the Company's 2022 Interim Report complied with various regulations of the CSRC and the Stock Exchange, and the information contained therein

could truly reflect the Company's operation, management and financial position and other matters during the reporting period from all aspects.

3. Prior to making this opinion, no breach of confidentiality by persons involved in the preparation and consideration of the 2022 Interim Report was been identified.

4. We guarantee that the information disclosed in the Company's 2022 Interim Report is true, accurate and complete, and undertake that there are no false records, misleading statements or material omissions therein.

**(II) Special Report on 2022 Interim Deposit and Actual Use of Proceeds of Ningbo Shanshan Co., Ltd.**

(For details, please refer to the website of the Shanghai Stock Exchange)

(3 voted in favor, 0 voted against, 0 abstained)

The Board of Supervisors of the Company has made careful and strict examination on the Special Report on 2022 Interim Deposit and Actual Use of Proceeds of Ningbo Shanshan Co., Ltd. prepared by the Board of Directors in accordance with Regulatory Guidelines for Listed Companies No.2 - Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies, the Guidelines No. 1 for Application of Self-regulation Rules for Listed Companies – Standardised Operation, and Measures for the Management of Raised Funds of the Company. Supervisors are of the view that:

The Company's 2022 interim deposit and actual use of proceeds was in compliance with the relevant laws, regulations and rules; the contents of Special Report on 2022 Interim Deposit and Actual Use of Proceeds of Ningbo Shanshan Co., Ltd. were true, accurate and complete, and there were no false records, misleading statements or material omissions.

**(III) Proposal on Adjusting Selected Performance Appraisal Targets under the Company's 2022 Stock Option and Restricted Share Incentive Plan and Amendment to Related Documents;**

(For details, please refer to the website of the Shanghai Stock Exchange)

(3 voted in favor, 0 voted against, 0 abstained)

The Company's general meeting in March 2022 considered and approved the Proposal on the 2022 Stock Option and Restricted Share Incentive Plan (Draft) of Ningbo Shanshan Co. Ltd. (the "Incentive Plan"), in order to further improve the long-term incentive

mechanism of the Company, fully mobilize the enthusiasm of the directors of the Company, key management personnel and core technical personnel of the Company's subsidiaries, strengthen corporate cohesion, and enable all parties to jointly focus on and promote the long-term sustainable development of the Company.

When setting the departmental performance appraisal index of this Incentive Plan, the Company has not considered the impact of the share-based payment related expenses on the departmental performance appraisal index - net profit.

As the anode materials and polarizer business departments served by the Recipients under the Incentive Plan are subsidiaries of the Company, and according to the Accounting Standards for Business Enterprises and its relevant regulations, the share-based payment related expenses shall be undertaken by the enterprises receiving relevant services. Therefore, the Company intends to include the share-based payment related expenses under the Incentive Plan into the relevant subsidiaries, which will in turn affect the performance of the anode materials and polarizer business departments.

The charging of the above share incentive expenses will affect the net profit of anode materials and polarizer business departments in the implementation period of this Incentive Plan. In order to make the assessment more consistent with the actual business situation and to take into account the principles of fairness, reasonableness and operability, the Company intends to exclude the influence of the share-based payment related expenses arising from the implementation of the share incentive plan when accounting for the net profit index of the departmental performance appraisal index of this Incentive Plan.

Accordingly, the Company will amend the contents of the 2022 Stock Option and Restricted Share Incentive Plan (Draft) of Ningbo Shanshan Co. Ltd., Measures for Management of Appraisal for the Implementation of the 2022 Stock Option and Restricted Share Incentive Plan of Ningbo Shanshan Co. Ltd. and other documents accordingly, and the specific adjustments are as follows:

**Before adjustment:**

Exercise/unlocking period	Expected growth rate of appraisal index of the polarizer business department	Expected growth rate of appraisal index of the anode materials business department
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The first exercise/unlocking period	Operating income	Based on the operating income of polarizer business in 2021, the expected growth rate of the operating income of polarizer business in 2022 is 17%	Operating income	Based on the operating income of anode materials business in 2021, the expected growth rate of the operating income of anode materials business in 2022 is 80%
	Net profit	Based on the net profit of polarizer business in 2021, the expected growth rate of the net profit of polarizer business in 2022 is 14%	Net profit	Based on the net profit of anode materials in 2021, the expected growth rate of the net profit of anode materials in 2022 is 65%
The second exercise/unlocking period	Operating income	Based on the operating income of polarizer business in 2021, the expected growth rate of the operating income of polarizer business in 2023 is 44%	Operating income	Based on the operating income of anode materials business in 2021, the expected growth rate of the operating income of anode materials business in 2023 is 170%
	Net profit	Based on the net profit of polarizer business in 2021, the expected growth rate of the net profit of polarizer business in 2023 is 30%	Net profit	Based on the net profit of anode materials in 2021, the expected growth rate of the net profit of anode materials in 2023 is 165%
The third exercise/unlocking period	Operating income	Based on the operating income of polarizer business in 2021, the expected growth rate of the operating income of polarizer business in 2024 is 72%	Operating income	Based on the operating income of anode materials business in 2021, the expected growth rate of the operating income of anode materials business in 2024 is 300%
	Net profit	Based on the net profit of polarizer business in 2021, the expected growth rate of the net profit of polarizer business in 2024 is 50%	Net profit	Based on the net profit of anode materials in 2021, the expected growth rate of the net profit of anode materials in 2024 is 300%
The fourth	Operating	Based on the operating income of	Operating	Based on the operating income of anode

exercise/unlocking period	income	polarizer business in 2021, the expected growth rate of the operating income of polarizer business in 2025 is 84%	income	materials business in 2021, the expected growth rate of the operating income of anode materials business in 2025 is 390%
	Net profit	Based on the net profit of polarizer business in 2021, the expected growth rate of the net profit of polarizer business in 2025 is 67%	Net profit	Based on the net profit of anode materials in 2021, the expected growth rate of the net profit of anode materials in 2025 is 450%

Note 1: The aforesaid "operating income of polarizer business", "net profit of polarizer business",

This proposal would be submitted to the general meeting for consideration.

This announcement is hereby made.

Board of Supervisors of Ningbo Shanshan Co., Ltd.

11 August 2022