

Ad hoc announcement pursuant to Art. 53 LR

## **Ningbo Shanshan Co., Ltd.**

# **Announcement on the Resolution of the Thirty-seventh Meeting of the Tenth Session of the Board of Directors**

### **I. The Meeting of the Board of Directors**

(I) The convening of the Thirty-seventh Meeting of the Tenth Session of the Board of Directors (the “Board”) 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. and the relevant laws and regulations.

(II) Notice of this meeting of the Board was given in writing on 4 December 2022.

(III) This meeting of the Board was hold on 9 December 2022 by way of communication voting.

(IV) This meeting of the Board was chaired by the chairman of the Company. There were 11 directors should attend the meeting of the Board, among which, 11 directors actually attended the meeting, and there were no absent directors.

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

The following proposals were considered and approved at the meeting:

#### **(I) Proposal on Provision of Related Guarantee for Shanshan New Material (Quzhou) Co., Ltd.**

(9 voted in favor, 0 voted against, 0 abstained, 2 avoided)

On May 10, 2022, the 2021 Annual General Meeting of shareholders of the Company reviewed and approved the matter of approving the Company to provide a guarantee amount of no more than RMB585 million to its subsidiary Shanshan New Material (Quzhou) Co., Ltd. ("Quzhou Shanshan"), and authorized the Chairman or his authorized agent to sign specific guarantee documents within the amount. The period is from the date of deliberation and approval of the 2021 Annual General

Meeting of Shareholders to the date of convening the 2022 Annual General Meeting of Shareholders. As of November 30, 2022, the Company has actually provided a total guarantee amount of RMB255,719,860 for Quzhou Shanshan within the aforementioned guarantee amount.

On December 8, 2022, in order to further focus on the development of the core business of the Company, optimize the allocation of resources and continuously enhance the core competitiveness of the Company, the general manager's office meeting of the Company considered and agreed that the wholly-owned subsidiary of the Company, would transfer 51% of its equity interest in Quzhou Shanshan to Sunyes Electronic Manufacturing (Guangdong) Holding Co., Ltd. or its designated holding subsidiary established for the purpose of executing this transaction (the "Counterparty"). After the completion of this transaction, the Company will no longer exercise control over Quzhou Shanshan. (For details, please refer to [Announcement on the Sale of Part of the Equity Interest in a Controlling Subsidiary](#) of Ningbo Shanshan Co., Ltd. disclosed by the Company on December 9, 2022)

According to the Equity Transfer Agreement signed with the Counterparty, the Board of Directors of the Company intends to continue to provide Quzhou Shanshan with the aforementioned guarantee amount of RMB255,719,860, with a period of time until the date of convening the 2022 Annual General Meeting of Shareholders. During the existence of the aforementioned guarantee, the Counterparty shall provide full counter-guarantee for the above guarantee amount, and the period of the counter-guarantee shall be two years from the date when the Company actually assumes the guarantee liability.

In view of the fact that Mr. Li Zhihua, the director and general manager of the Company, is the chairman of Quzhou Shanshan, and Mr. Yang Feng, the director of the Company, is the director of Quzhou Shanshan. According to the Article 6.3.3 of the Listing Rules of Shanghai Stock Exchange ( ), Quzhou Shanshan is the related legal person of the Company, and the guarantee provided by the Company shall constitute the related transaction.

Mr. Li Zhihua and Mr. Yang Feng, the related directors, avoided voting, and the

other non-related directors unanimously agreed.

All the independent directors of the Company unanimously agreed to the Company's related guarantee, and have expressed the prior-approval statement and independent consent.

This proposal is subject to the general meeting for consideration.

**(II) Proposal on Amending the Articles of Association of Ningbo Shanshan Co., Ltd.**

(11 voted in favor, 0 voted against, 0 abstained, 0 avoided)

In accordance with the relevant provisions of laws, regulations and normative documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and combined with the actual situation of the Company, the Articles of Association of Ningbo Shanshan Co., Ltd is proposed to be amended. The specific revisions are as follows:

Before Revision	After Revision
<p>Article 6 The registered capital of the Company is RMB<u>2,238,465,538</u>.</p>	<p>Article 6 The registered capital of the Company is RMB<u>2,250,415,858</u>.</p>
<p>Article 10 The Articles of Association shall come into force <b><u>on the date when the GDRs issued by the Company are listed on the SIX Swiss Exchange after</u></b> being examined and approved by the general meeting. <b><u>The former Articles of Association of the Company shall automatically become null and void as of the effective date of this Articles of Association.</u></b> .....</p>	<p>Article 10 The Articles of Association shall come into force <b><u>as of the date of</u></b> being examined and approved by the general meeting. .....</p>
<p>Article 19 The total number of ordinary shares issued by the Company upon incorporation was <u>2,238,465,538</u>, all are RMB ordinary shares. <b><u>The Company's capital structure is as follows: 2,238,465,538 ordinary shares, of which 2,161,254,038 shares are held by A shares shareholders, accounting for 96.55%; the A shares corresponding to the GDRs held</u></b></p>	<p>Article 19 The <b><u>total shares of the Company were 2,250,415,858</u></b>, all are RMB ordinary shares.</p>

<p><b><u>by foreign investors are calculated according to the conversion ratio determined by the Company, which are 77,211,500 shares, accounting for 3.45%.</u></b></p>	
<p>Article 168</p> <p>.....</p> <p>The Supervisory Committee shall include shareholder representatives and <b><u>a certain proportion of staff representatives of the Company, of which the latter shall be not less than one-third of the total number of supervisors.</u></b> The <b><u>staff representatives</u></b> are democratically elected by the Company's staff at the staff representative assembly, general staff meeting or other means. <b><u>Shareholder representatives</u></b> shall be elected and dismissed by the general meeting.</p>	<p>Article 168</p> <p>.....</p> <p>The Supervisory Committee shall include shareholder representatives and <b><u>a certain proportion of staff representatives of the Company (no less than one-third). One staff representative supervisor</u></b> is democratically elected by the Company's staff at the staff representative assembly, general staff meeting or other means. <b><u>Two shareholder representative supervisors</u></b> shall be elected and dismissed by the general meeting.</p>
<p>Article 250</p> <p>The Articles of Association shall come into force <b><u>on the date when the GDRs issued by the Company are listed on the SIX Swiss Exchange after</u></b> being examined and approved by the general meeting. <b><u>The former articles of association of the Company shall automatically become null and void as of the effective date of these Articles of Association.</u></b></p>	<p>Article 250</p> <p>The Articles of Association shall come into force <b><u>as of the date of</u></b> being examined and approved by the general meeting.</p>

This proposal is subject to the general meeting for consideration.

**(III) Proposal on the Notice of Convening the 2022 Fifth Extraordinary General Meeting of Ningbo Shanshan Co., Ltd.**

(11 voted in favor, 0 voted against, 0 abstained, 0 avoided)

[\(For details, please refer to the website of the Company\)](#)

The Board of the Company intends to hold the Fifth Extraordinary General Meeting for 2022 on 30 December 2022. The meeting is proposed to consider the following proposals:

- 1 Proposal on Provision of Related Guarantee for Shanshan New Material (Quzhou) Co., Ltd.
- 2 Proposal on Amending the Articles of Association of Ningbo Shanshan Co., Ltd.

This announcement is hereby made.

Board of Directors of Ningbo Shanshan Co., Ltd.

9 December 2022