

**Ningbo Shanshan Co., Ltd.**  
**Materials of Annual General Meeting of**  
**2022**



宁波杉杉股份有限公司  
Ningbo Shanshan Co., Ltd.

**10 May 2023**

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

### **Materials of Annual General Meeting of 2022**

#### **I. Date and time of the GM**

Date and time of the on-site meeting 10 May 2023 13:30

Start and end dates and voting hours for online voting: 10 May 2023, The online voting system of the Shanghai Stock Exchange for general meetings is adopted. The time for voting through the voting platform of the trading system shall be the trading time on the date of the GM, i.e., 9:15-9:25, 9:30-11:30, 13:00-15:00; the time of voting through the online voting platform shall be 9:15-15:00 on the date of the GM.

#### **II. Venue of the on-site meeting**

Meeting Room, Zone 5, Building A, Shanshan New Energy Base, No. 238 Yunlin Middle Road, Wangchun Industrial Park, Ningbo, Zhejiang, PRC

#### **III. Voting method**

The voting method adopted at the GM is the combination of on-site voting and online voting

(I) Shareholders of the Company exercising their voting rights through the online voting system of the Shanghai Stock Exchange for general meetings can either log on to the trading system voting platform (through the trading terminal of the designated trading securities company) or log on to the Internet voting platform (website: [vote.sseinfo.com](http://vote.sseinfo.com)) to cast their votes. For the first time to log on to the Internet voting platform to vote, investors need to complete the shareholder identification. Please see the instructions on the Internet voting platform website for specific operations.

(II) The number of voting rights that can be exercised by shareholders who hold multiple shareholder accounts is the sum of the number of common shares of the same class held by all shareholder accounts under their name.

Shareholders holding multiple shareholder accounts who participate in the online voting of the shareholders' general meeting through the online voting system of Shanghai Stock Exchange can participate in the online voting

through any of their shareholder accounts. After voting, it shall be deemed that the common shares of the same class under all shareholders' accounts have cast the same opinion.

If a shareholder holding multiple shareholder accounts repeatedly votes through different shareholder accounts, the voting opinions of each class of common shares under all shareholder accounts shall be subject to the first voting results of each class of shares.

(III) If the number of votes cast by a shareholder exceeds the number of votes held, or if the number of votes cast exceeds the number of people to be elected in a margin election, the votes cast by the shareholder on the proposal shall be deemed invalid.

(IV) If the same voting right is repeatedly voted through on-site, the online voting system of the Shanghai Stock Exchange for general meetings or other means, the result of the first vote shall prevail.

(V) Shareholders will vote on all proposals before they can be submitted.

(VI) Cumulative voting scheme shall be adopted for the election of directors, independent directors and supervisors. See Appendix II of the Notice of General Meeting for details.

#### **IV. Agenda**

(I) The meeting president announces the start of the GM.

(II) Proposals for consideration at the GM.

1. Proposal on the 2022 Annual Working Report of the Board of Directors
2. Proposal on the 2022 Annual Working Report of the Board of Supervisors
3. Proposal on the 2022 Annual Financial Report
4. Proposal on the 2022 Annual Profit Distribution Plan
5. Proposal on the Full Text and Abstract of the 2022 Annual Report
6. Proposal on Re-engagement of BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's Accounting and Audit Agency for the Year 2023
7. Proposal on Re-engagement of BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's Internal Control Audit Agency for the Year 2023

8. Proposal on the Annual Guarantee Amount Provided by the Company for the Year 2023

9. Proposal on the Amount of Related Guarantee Provided by the Company for the Year 2023

10. 2022 Internal Control Evaluation Report of Ningbo Shanshan Co., Ltd.

11. 2022 Environmental, Social and Governance (ESG) Report of Ningbo Shanshan Co., Ltd.

Cumulative voting proposals

12. Proposal on Electing Non-independent Directors of the Eleventh Session of the Board of Directors of the Company

13.

## **1. Proposal on the 2022 Annual Working Report of the Board of Directors**

For details, please refer to [2022 Annual Report - Management Discussion and Analysis, Corporate Governance section](#) disclosed on the Company's website on April 19, 2023.

Please vote after deliberation.

## 2. Proposal on the 2022 Annual Working Report of the Board of Supervisors

In 2022, the Board of Supervisors of Ningbo Shanshan Co., Ltd. (hereinafter referred to as the Company), strictly complied with the Chinese laws and regulations and corporate rules including the Company Law of the PRC, the Securities Law of the PRC and the Articles of Association of Ningbo Shanshan Co., Ltd. (hereinafter referred to as the Company Law, the Securities Law and the Articles of Association, respectively), exercised independently its functions and power according to law, fulfilled its supervision duties with diligence, imposed effective oversight on the Company's operations, financial position and the duty performance of directors and senior management, facilitated procedure-based corporate operations, and safeguarded legitimate interests of the Company and shareholders. Below is the 2022 working report of the Board of Supervisors.

### I. Composition of the Board of Supervisors

The tenth session of the Board of Supervisors of the Company is composed of Ms. Lin Feibo, Ms. Hong Zhibo and Ms. Xu Chao. Among them, Ms. Lin Feibo serves as the convenor and the employee representative supervisor.

### II. Meetings of the Board of Supervisors

Number of Meetings	11
Meetings of Board of Supervisors	Proposals of Board of Supervisors Meeting
The Fourteenth Meeting of the Tenth Session of the Board of Supervisors held on 4 January 2022	Proposal on Using Proceeds to Displace the Pre-invested Self-raised Funds.
The Fifteenth Meeting of the Tenth Session of the Board of Supervisors held on 6 January 2022	Proposal on Selling 100% Equity Interest in Hunan Yongshan Lithium Industry Co., Ltd. and Related Transaction.
The Sixteenth Meeting of the Tenth Session of the Board of Supervisors held on 23 February 2022	(I) Proposal on 2022 Stock Option and Restricted Share Incentive Plan of Ningbo Shanshan Co. Ltd.(Draft)and Its Abstract; (II) Proposal on Measures on Management of Implementation and Assessment of 2022 Stock Option and Restricted Share Incentive Plan of Ningbo Shanshan Co. Ltd.; (III) Proposal on Verifying the List of Incentive Recipients of the Company's 2022 Stock Option and Restricted Share Incentive Plan.
The Seventeenth Meeting of the Tenth Session of the Board of Supervisors held on 18 March 2022	(I) Proposal on Adjusting the List of Incentive Recipients of the Company's 2022 Stock Option and Restricted Share Incentive Plan; (II) Proposal on the First Grant of Stock Options to Incentive Recipients under the Company's 2022 Stock Option and Restricted

	Share Incentive Plan.
The Eighteenth Meeting of the Tenth Session of the Board of Supervisors held on 18 April 2022	<p>( ) Proposal on 2021 Annual Report and Its Abstract;</p> <p>( ) Proposal on 2021 Work Report of the Board of Supervisors;</p> <p>( ) Proposal on Final Accounts Report for 2021;</p> <p>( ) Proposal on Profit Distribution Plan for 2021;</p> <p>( ) Proposal on the Provision of Guarantees for Joint Stock Company and Related Transactions</p> <p>( ) Proposal on the Estimated Amounts for Daily Related Transactions for 2022;</p> <p>( ) 2021 Annual Evaluation Report on Internal Control of Ningbo Shanshan Co., Ltd.;</p> <p>( ) 2021 Annual Social Responsibility Performance Report of Ningbo Shanshan Co., Ltd.;</p> <p>( ) Special Report on 2021 Annual Deposit and Use of Proceeds of Ningbo Shanshan Co., Ltd.;</p> <p>( ) Proposal on Changes in Accounting Policies;</p> <p>( ) Proposal on Capital Increase for the Company's Holding Subsidiary and Related Transactions</p> <p>( ) Proposal on the Company's Offering and Listing of GDR in the SIX Swiss Exchange and Conversion into an Overseas Offering Company;</p> <p>(XIII) Proposal on the Company's Offering and Listing of GDR on the SIX Swiss Exchange;</p> <p>(XIV) Proposal on Report on the Use of Proceeds from Previous Offering;</p> <p>(XV) Proposal on Report on the Use of Proceeds from GDR Offering;</p> <p>(XVI) Proposal on the Period of Validity of the Company's Resolution on Offering and Listing of GDR on the SIX Swiss Exchange;</p> <p>(XVII) Proposal on Distribution Plan of Accumulated Profit Prior to the Company's Offering and Listing of GDR on the SIX Swiss Exchange;</p> <p>(XVIII) Proposal on Revising the Rules of Procedure of the Board of Supervisors of Ningbo Shanshan Co., Ltd.</p>
The Nineteenth Meeting of the Tenth Session of the Board of Supervisors held on 27 April 2022	Proposal on the First Quarterly Report for 2022 (unaudited) of Ningbo Shanshan Co., Ltd.
The Twentieth Meeting of the Tenth Session of the Board of Supervisors held on 26 May 2022	<p>(I) Proposal on Adjusting the Exercise Price of Stock Options and Canceling Some Stock Options under the Company's 2022 Stock Option and Restricted Share Incentive Plan;</p> <p>(II) Proposal on Adjusting the Exercise Price of Stock Options under the Company's 2019 Stock Option and Share Incentive Plan;</p> <p>(III) Proposal on the Adjustment of the List of Restricted Share Incentive Participants, Grant Price and Grant Quantity of the Company's 2022 Stock Option and Restricted Share Incentive Plan;</p> <p>(IV) Proposal on the First Grant of Restricted Share to Incentive Recipients under the Company's 2022 Stock Option and Restricted Share Incentive Plan</p>
The Twenty-first Meeting of	(I) Proposal on the 2022 Interim Report of Ningbo Shanshan Co., Ltd.

the Tenth Session of the Board of Supervisors held on 11 August 2022	and Its Abstract; (II) Special Report on 2022 Interim Deposit and Actual Use of Proceeds of Ningbo Shanshan Co., Ltd. (III) Proposal on Adjusting Part of the Performance Appraisal Targets under the Company's 2022 Stock Option and Restricted Share Incentive Plan and Amendment to Related Documents
The Twenty-second Meeting of the Tenth Session of the Board of Supervisors held on 17 October 2022	(I) Proposal on the Fulfillment of the Conditions for the Non-public Issuance of Shares by the Company; (II) Proposal on the Scheme for Non-public Issuance of Shares of the Company; (III) Proposal on the Plan for the Non-public Issuance of Shares by Ningbo Shanshan Co., Ltd. in 2022; (IV) Proposal on the Feasibility Analysis Report on the Use of Proceeds from Non-public Issuance of Shares of the Company; (V) Proposal on the Dilution of Immediate Return Resulting from the Non-public Issuance of Shares by the Company and the Remedial Measures and Undertakings by Relevant Entities; ( ) Proposal on the Report on the Use of Proceeds from Previous Offering; (VII) Proposal on Distribution Plan for Shareholders for the Coming Three Years (2022 to 2024); (VIII) Proposal on Canceling Some Stock Options under the Company's 2019 Stock Option Plan; (X) Proposal on Satisfaction of Exercise Conditions in the Third Exercise Period of Stock Options First Granted under the Company's 2019 Stock Option Plan;
The Twenty-third Meeting of the Tenth Session of the Board of Supervisors held on 27 October 2022	Proposal on the Third Quarterly Report for 2022 (unaudited) of Ningbo Shanshan Co., Ltd.
The Twenty-fourth Meeting of the Tenth Session of the Board of Supervisors held on 9 December 2022	Proposal on the Provision of Connected Guarantee for Shanshan New Material (Quzhou) Co., Ltd.

### **III. Independent Opinions of the Board of Supervisors on the Company's Relevant Matters**

#### **(I) Corporate operations according to law**

The Board of Supervisors has imposed oversight on the convening procedures of and the resolutions considered at the general meetings and the Board meetings, the implementation of the resolutions of the general meetings by the Board and the performance of duties of the Company's directors and senior management by looking into and referring to the relevant files and data, sitting in on the Board meetings and attending the general meetings, in accordance with its functions and power stipulated in the Company Law, the Securities Law and the Articles of Association, other laws and the relevant rules and regulations.

The Board of Supervisors concluded: the Company's decision making procedures complied with such laws and regulations as the Company Law and the Securities Laws and the related stipulations on corporate governance by the China Securities Regulatory Commission and the Shanghai Stock Exchange and in the Articles of Association, managerial decision making was conducted in a scientific and rational manner, internal control systems were well-positioned and effectively implemented, the Board of Directors and the management adopted with diligence various resolutions of the general meetings, and completed in a timely fashion all work decided by the general meetings; and failed to detect any behavior of the Company's directors and senior management in violation of laws and regulations and the Articles of Association and detrimental to corporate interests when they performed their duties in the Company.

### **(II) Inspection of the Company's financial position**

After carefully examining the Company's regular reports compiled by the Board and putting forward written opinions, the Board of Supervisors concluded: the Company observed China's financial accounting standards and accounting system, and the Company's quarterly, interim and annual financial statements had real content, showing the Company's financial position, production and operations in an objective way. During the Reporting Period, the Company engaged BDO China Shu Lun Pan Certified Public Accountants LLP to audit its annual financial position and issue an unqualified audit report, which objectively, truly and completely presented the Company's operating results and financial position.

### **(III) Offering of shares in the Company**

During the Reporting Period, the Board of Supervisors of the Company has carefully investigated and gave opinions separately on matters related to offering and listing of GDR on the SIX Swiss Exchange and non-public issuance of shares: the Company's offering and listing of GDR conformed to the requirements and conditions stipulated in domestic and overseas laws and regulations as well as normative documents, conducive to helping the Company expand international financing channels and promote its brands and images globally; the Company conformed to the stipulations on non-public issuance of shares in the prevailing laws and regulations, met the conditions for non-public issuance of shares and gave consent to the Company to apply for non-public issuance of shares.

### **(IV) Equity incentive plans of the Company**

During the Reporting Period, the Board of Supervisors has examined and gave opinions on matters related to the 2022 stock option and restrictive share incentive plan formulated and launched the Company and the subsequent adjustments and granting, and carefully checked related adjustments and fulfillment of exercise conditions in the Company's 2019 stock option incentive plan, and therefore concluded: the above-mentioned equity incentive plans observed the Measures for *the Administration of Equity Incentive Plans of Listed Companies* and other relevant stipulations, without detriment to the Company and shareholders' interests.

#### **(V) Related transactions in the Company**

During the Reporting Period, the Company's significant related transactions have been conducted in a fair and rational manner, and their decision making and approval procedures have complied with *the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Guidelines of Shanghai Stock Exchange No. 5 for the Application of Self-Regulation Rules for Listed Companies-Transaction and Related Transaction* and other stipulations, without detriment to the Company and shareholders' interests.

There was no misappropriation of the Company's capital by the controlling shareholders and their related parties for non-operational purposes.

#### **(VI) Review of the evaluation report on internal control**

During the Reporting Period, the Board of Supervisors has reviewed the 2021 Evaluation Report on Internal Control of Ningbo Shanshan Co., Ltd. (hereinafter referred to as the Evaluation Report on Internal Control). We are of the opinion that the Evaluation Report on Internal Control of the Company has shown the realities of internal control in the Company in a comprehensive, true and accurate manner, and raise no objection to the Evaluation Report on Internal Control by the Board of Directors.

#### **(VII) Use and administration of proceeds**

During the Reporting Period, the Board of Supervisors has reviewed the special reports on deposit and use of proceeds for 2021 and half of 2022 complied by the Board of Directors and is of the opinion that the information in the above reports is true, accurate and complete without false records, misleading statements or material omissions, and in accordance with the related laws and regulations. Meanwhile, the Board of Supervisors has examined the Company's practice of displacing pre-invested self-raised funds with proceeds during the Reporting Period and watched on a continuous basis the use of proceeds from the offering of GDR.

### **III. Work Plan of the Board of Supervisors for 2023**

Looking to 2023, the Board of Supervisors will strictly observe the national laws and regulations and exercise its functions and power stipulated in the Articles of Association, fulfill with diligence its duties, familiarize itself with the Company's significant decisions in a timely manner, urge procedure-based corporate operations, improve corporate governance structure and safeguard the Company and shareholders' legitimate interests by sitting in on the Board meetings and attending the general meetings; Meanwhile, all the supervisors will actively participated in training organized by regulators, keep themselves updated of the related policies and laws and professional knowledge, and continue to improve the expertise in performing their duties.

Please vote after deliberation.

### 3. Proposal on the 2022 Annual Financial Report

BDO China Shu Lun Pan Certified Public Accountants LLP has audited the annual financial statements for 2022 of Ningbo Shanshan Co., Ltd. (hereinafter referred to as the Company, Company or NBSS), and issued a standard unqualified audit report.

Below is the final account report for 2022.

#### I. Key accounting data and financial indicators

##### (I) Key financial data

Unit: RMB in 100 million

Key financial data	2022	2021	Increase/Decrease for the period as compared to the same period last year (%)
Operating revenue	217.02	206.99	4.84
Net profit attributable to shareholders of the listed company	26.91	33.40	-19.42
Net profit attributable to shareholders of the listed company, net of non-recurring profit and loss	23.29	18.85	23.53
Net cash flows from operating activities	5.06	-3.64	N/A
	End of 2022	End of 2021	Increase/Decrease for the period as compared to the same period last year (%)
Net assets attributable to shareholders of the listed company	230.53	189.28	21.79
Total assets	449.25	402.88	11.51
Total share capital at the end of the period	22.64	21.43	5.65

##### (II) Key financial indicators

Key financial indicators	2022	2021	Increase/Decrease for the period as compared to the same period last year (%)
Basic earnings per share (RMB/share)	<u>1.23</u>	<u>2.04</u>	-39.71
Diluted earnings per share (RMB/share)	<u>1.23</u>	<u>2.04</u>	-39.71
Basic earnings per share after deduction of	<u>1.06</u>	<u>1.15</u>	-7.83

non-recurring profit and loss (RMB/share)			
Weighted average return on net assets (%)	<u>12.93</u>	<u>23.75</u>	Decreased by 10.82 percentage points
Weighted average return on net assets ratio after deduction of non-recurring profit and loss (%)	<u>11.19</u>	<u>13.41</u>	Decreased by 2.22 percentage points

## II. Operation profile

(1) Operating revenue was RMB21,701.6173 million, an increase of RMB1,002.2346 million and up 4.84% year on year.

(2) Operating costs were RMB16,487.3933 million, an increase of RMB968.3645 million and up 6.24% year on year.

(3) Tax and associate charge was RMB80.1809 million, an increase of RMB8.4423 million and up 11.77% year on year.

(4) Period expenses stood at RMB2,642.9313 million, an increase of RMB414.4241 million and up 18.60% year on year. It comprises: sales expenses of RMB281.3885 million, up 37.52% year on year, mainly due to consumption of more packing materials in sales from the year before as a result of sales income growth in the anode material business during the Reporting Period; administrative expenses of RMB712.9638 million, up 9.00% year on year; R&D expenses of RMB952.5723 million, up 33.11% year on year, mainly attributable to expenditure increase in optical R&D for thin PVA in the polariser business during the Reporting Period; financial expenses of RMB696.0067 million, up 6.40% year on year.

(5) The Company incurred an asset impairment loss of RMB137.7400 million, a decrease of RMB250.3259 million from RMB388.0659 million in the same period last year. During the Reporting Period, the Company recorded a combined RMB67.4532 million in inventory write down and contract performance cost impairment loss, RMB63.8929 million in impairment loss of fixed assets and RMB6.3940 million in impairment provision of other current assets.

(6) The Company suffered a credit impairment loss of RMB10.0473 million, a decrease of RMB256.4646 million from RMB266.5119 million in the same period last year. During the Reporting Period, the Company recorded RMB2.9644 in bad debt recovery for notes receivable, RMB14.5994 million in bad debt recovery for accounts receivable, RMB33.2408 million in bad debt loss for other receivables and RMB5.6297 million in bad debt recovery for long-term receivables due within one year.

(7) The Company realized an investment income of RMB888.3314 million, a decrease of RMB1,501.0022 million and down 62.82% as compared with the same period last year, mainly due to the investment gains from the completion of the transfer of 19.6438% equity of Shanshan Energy in the same period last year; moreover, the Company remeasured according to the accounting standards for enterprises the remaining equity it held at the fair value on the date when it lost the control right of Shanshan Energy, and recorded the investment income of the period when the control right was lost.

(8) The Company's profit before tax (as disclosed in the 2022 Annual Report) is RMB1,717,710,231 (RMB1,717,710,231).

company of RMB2,691.2626 million, a decrease of RMB648.4339 million and down 19.42% year on year.

(15) Minority interest income was RMB134.1383 million, a decrease of RMB96.4916 million and down 41.84% year on year, mainly because the Company conducted equity accounting for BASF Shanshan during the Reporting Period, and in the same period last year, as a subsidiary, there was minority interest income.

(16) Other comprehensive income- after tax attributable to owners of the parent company totaled RMB-118.8335 million, mainly due to fluctuations in prices of financial assets held by it such as shares as well as changes in the Company's other comprehensive income resulting from equity method accounting.

(17) Net profit attributable to shareholders of the Company after deducting non-recurring profit and loss was RMB2,328.8948 million, up from RMB1,885.3201 million in the same period last year.

(18) Weighted average return on net assets attributable to holders of the Company's ordinary shares decreased by 10.82 percentage points to 12.93% from 23.75% last year; weighted average return on net assets ratio after deduction of non-recurring profit and loss was 11.19%, a decrease of 2.22 percentage points from 13.41% last year.

### **III. Financial position**

#### **(I) Assets**

By the end of 2022, the Company's assets totaled RMB44,925.4912 million, an increase of RMB4,637.0222 million and up 11.51% compared to the beginning of 2022. Current assets were valued at RMB18,942.9808 million, occupying 42.17% of the total assets, a decrease of RMB34.7325 million and dipping 0.18% compared with the beginning of 2022; non-current assets at RMB25,982.5104, occupying 57.83% of the total assets, an increase of RMB4,671.7547 million and up 21.92% compared with the beginning of 2022. Below is the breakdown.

1. Monetary funds at the end of the Period amounted to RMB4,742.2654 million, a decrease of RMB4,552.6959 million and down 48.98% from RMB9,294.9614 million at the beginning of 2022, mainly because efforts to expand the production capacity of the anode material and polarizer business ramped up expenditures on house construction and procurement of machinery equipment during the Reporting Period; and at the same time, the Company repaid part of its loans and paid for the second phase of the LG Chem's polariser business.

2. Accounts receivable financing at the end of the Period amounted to RMB512.2498 million, a decrease of RMB132.3021 million and down 20.53% from RMB644.552 million at the beginning of 2022.

3. Accounts receivables at the end of the Period amounted to RMB4,694.9744 million, an increase of RMB735.574 million and up 18.58% from RMB3,959.4004 million at the beginning of 2022.

4. Notes receivable at the end of the Period amounted to RMB227.8331 million, an increase of RMB193.167 million and up 557.22% from RMB34.6661 million at the beginning of 2022, mainly due to the higher usage of notes as a result of a hike in sales of anode materials during the Reporting Period.

5. Prepayments at the end of the Period amounted to RMB1,391.7165 million, an increase of RMB554.4829 million and up 66.23% from RMB837.2336 at the beginning of 2022, mainly due to the advance payment made by the anode material business to lock the graphitization supplier's capacity and raw material supply during the Reporting Period.

6. Other receivables at the end of the Period amounted to RMB497.2736 million yuan, an increase of RMB150.3148 million and up 43.32% from RMB346.9589 at the beginning of 2022, mainly because during the Reporting Period, the Company had a receivable of RMB 130 million from the transfer of its wholly-owned subsidiary Hunan Yongshan.

7. Assets held for sales at the end of the Period amounted to RMB1,316.8644 million, mainly because the Equity Transfer Agreement of Quzhou Shanshan electrolyte has been signed during the Reporting Period, and its assets have been transferred to the assets held for sale account.

8. Inventories at the end of the Period amounted to RMB5,029.8442, an increase of RMB1,986.8147 million and up 65.29% from RMB3,043.0296 million at the beginning of 2022, mainly due to expanded capacity and sales hike in the lithium-ion battery anode material business.

9. Other current assets at the end of the Period amounted to RMB483.3270 million, a decrease of RMB275.3194 million and down 36.29% from RMB758.6464 million at the beginning of 2022, mainly because the polariser business VAT credit rebate and export tax rebate during the Reporting Period reduced the retained input tax reduction at the end of the Period.

10. Other non-current assets due within one year at the end of the Period

amounted to RMB46.6322 million, a decrease of RMB11.6328 million and down 19.97% from RMB58.2650 million at the beginning of 2022.

11. Long-term receivables at the end of the Period were null compared with RMB33.1969 million at the beginning of 2022, mainly because the subsidiary's long-term receivables were transferred to the long-term receivables due within one year during the Reporting Period, and the Yunshan business segment quit the merger.

12. Long-term equity investments at the end of the Period amounted to RMB6,917.1087 million, up 9.35% from RMB6,325.3889 million at the beginning of 2022.

13. Other equity instrument investments at the end of the Period amounted to RMB749.4146 million, a decrease of RMB169.2449 million and down 18.42% from RMB918.6594 million at the beginning of 2022.

14. Other non-current financial assets at the end of the Period amounted to RMB198.1546 million, an increase of RMB95.55 million and up 93.12% from RMB102.6046 million at the beginning of 2022, mainly because the subsidiary Ningbo Shanshan Venture Capital completed the contribution to the investment fund partnership during the Reporting Period.

15. Book value of fixed assets at the end of the Period amounted to RMB8,351.1518 million, an increase of RMB887.7921 million and up 11.90% from RMB7,463.3596 million at the beginning of 2022.

16. Book value of construction in progress at the end of the Period amounted to RMB4,947.1874 million, an increase of RMB2,924.846 million and up 144.63% from RMB2,022.3414 million at the beginning of 2022, mainly due to new investment in the construction and expansion projects of the anode material and polarizer business during the Reporting Period.

17. Right-to-use assets at the end of the Period amounted to RMB1,624.8546 million, an increase of RMB266.775 million and up 19.64% from RMB1,358.0796 million at the beginning of 2022.

18. Book value of intangible assets at the end of the Period amounted to RMB1,757.9364 million, an increase of RMB130.8452 million and up 8.04% from RMB1,627.0911 million at the beginning of 2022.

19. Goodwill at the end of the Period amounted to RMB1,007.2799 million, an increase of RMB92.6657 million and up 10.13% from RMB914.6141 million at the beginning of 2022.

20. Long-term unamortized expenses at the end of the Period amounted to RMB133.3845 million, an increase of RMB30.3437 million and up 29.45% from RMB103.0408 at the beginning of 2022.

21. Deferred income tax assets at the end of the Period amounted to RMB134.9427 million, a decrease of RMB105.3826 million and down 43.85% from RMB240.3253 million at the beginning of 2022, mainly because the subsidiary deducted the full amount of newly acquired research and development equipment, etc. for the polariser and anode business at one time when calculating taxable incomes in the Reporting Period, and included the newly acquired equipment and apparatus under RMB5 million in costs and expenses at one time in accordance with the taxation document ([2018] No. 54), which increased the deferred income tax liabilities; The deduction for the deferred income tax assets under the circumstance that the income tax was levied by the same taxation authority on the same taxable entity decreased the deferred income tax assets.

22. Other non-current assets at the end of the Period amounted to RMB161.0954 million, a decrease of RMB40.9586 million from RMB202.054 million at the beginning of 2022.

## (II) Liabilities

By the end of 2022, the Company's liabilities totaled RMB20,795.3767 million, a decrease of RMB14,300 compared with that at the beginning of 2022. Current liabilities amounted to RMB12,899.4427 million, occupying 62.03% of the total liabilities, a decrease of RMB409.3515 million and down 3.08% compared with that at the beginning of 2022; non-current liabilities RMB7,895.9339 million, occupying 37.97% of the total liabilities, an increase of RMB266.6337 million and up 3.49% compared with that at the beginning of 2022. Below is the breakdown.

1. Advances from customers at the end of the Period amounted to RMB100.1963 million, an increase of RMB99.1034 million and up 9,068.07% from RMB1.0929 million at the beginning of 2022, mainly due to the receipt of advance proceeds from equity transfer of RMB100 million from Quzhou Shanshan during the Reporting Period.

2. Short-term borrowings at the end of the Period amounted to RMB3,928.472 million, a decrease of RMB410.6103 million and down 9.64% from RMB4,339.0823 million at the beginning of 2022.

3. Contract liabilities at the end of the Period amounted to RMB60.8151 million,

down 45.84% from RMB112.2777 million at the beginning of 2022, mainly because part of customers in the Company's lithium battery and solar energy segments made advance payments, and the subsidiary, Hunan Yongshan and the Yunshan segment were excluded in the scope of consolidation during the Reporting Period.

4.Accounts payable at the end of the Period amounted to RMB3,149.272 million, an increase of RMB827.9349 million and up 35.67% from RMB2,321.3371 million at the beginning of 2022, mainly because foreign suppliers of raw materials for polariser business began to provide open-account terms during the Reporting Period, resulting in an increase in payables.

5.Notes payable at the end of the Period amounted to RMB2,039.7587 million, up 63.17% from RMB1,250.063 million at the beginning of 2022, mainly due to sales hike in anode materials business and increases in settlement with notes during the Reporting Period.

6.Tax payable at the end of the Period amounted to RMB296.4187 million, a decrease of RMB426.4187 million and down 58.99% from RMB722.8375 million at the beginning of 2022, mainly the income tax of the equity transfer of Shanshan Energy in 2021 was paid during the Reporting Period.

7.Other payables at the end of the Period amounted to RMB753.0015 million, an increase of RMB162.778 million and up 27.58% from RMB590.2235 million at the beginning of 2022.

8.Payroll payable at the end of the Period amounted to RMB153.3682 million, a decrease of RMB42.2897 million and down 21.61% from RMB195.6579 million at the beginning of 2022.

9.Held-for-sales liabilities at the end of the Period amounted to RMB400.3174 million, an increase of RMB400.3174 million compared with that at the beginning of 2022, mainly because the Equity Transfer Agreement of Quzhou Shanshan has been signed during the Reporting Period, and its liabilities have been transferred to the liabilities held for sale account.

10.Non-current liabilities due within one year at the end of the Period amounted to RMB1,904.0532 million, a decrease of RMB1,719.4966 million and down 47.45% from RMB3,623.5497 million at the beginning of 2022, mainly because the Company repaid long-term loans due within one year of RMB2.046 billion during the Reporting Period.

11.Other current liabilities at the end of the Period amounted to RMB113.7697

million, a decrease of RMB38.9028 million and down 25.48% from RMB152.6726 million at the beginning of 2022.

12. Long-term borrowings at the end of the Period amounted to RMB4,176.0856 million, an increase of RMB806.1269 million and up 23.92% from RMB3,369.9588 million at the beginning of 2022.

13. Long-term payables at the end of the Period amounted to RMB1,816.1088 million, a decrease of RMB513.1248 million and down 22.03% from RMB2,329.2335 at the beginning of 2022.

14. Lease liabilities at the end of the Period amounted to RMB1,136.9323 million, an increase of RMB27.8658 million and up 2.51% from RMB1,109.0665 million at the beginning of 2022.

15. Estimated liabilities at the end of the Period amounted to RMB62.7066 million, an increase of RMB31.3908 million and up 100.24% from RMB31.3157 million at the beginning of 2022, mainly because the polarizer business withheld the quality guarantee deposit of polarizer products during the Reporting Period.

16. Deferred income at the end of the Period amounted to RMB366.7764 million, a decrease of RMB42.8779 million and down 10.47% from RMB409.6543 million at the beginning of 2022.

17. Deferred income tax liabilities at the end of the Period amounted to RMB337.3242 million, a decrease of RMB42.7471 million and down 11.25% from RMB380.0713 million at the beginning of 2022, mainly because the subsidiaries are eligible for additional deduction at one time in regard to equipment, increases in taxable difference as well as deferred income tax assets for the same single taxpayer.

### (III) Owners' equity

By the end of 2022, the Company's owners' equity totaled RMB24,130.1145 million, occupying 53.71% of the total assets, an increase of RMB4,779.74 million and up 24.70% from RMB19,350.3745 million at the beginning of 2022. Below is the breakdown.

1. Share capital at the end of the Period amounted to RMB2,263.9734 million, an increase of RMB121.0534 million and up 5.65% from RMB2,142.9199 at the beginning of 2022.

2. Capital reserves at the end of the Period amounted to RMB9,131.3206 million, an increase of RMB2,653.5296 million and up 40.96% from RMB6,477.791 million at the beginning of 2022. The main reason is that the Company's capital increase and

equity incentive during the Reporting Period resulted in an equity premium of RMB2.669 billion.

3. Other comprehensive income at the end of the Period amounted to RMB-150.8199 million, a decrease of RMB119.1402 million and down 376.08% from RMB-31.6797 million at the beginning of 2022, mainly due to changes in fair values of the Luoyang Molybdenum stock of the Company during the Reporting Period.

4. Surplus reserves at the end of the Period amounted to RMB292.8019 million, an increase of RMB39.0857 million and up 15.41% from RMB253.7162 million at the beginning of 2022.

5. Special reserves at the end of the Period amounted to RMB2.1409 million, a decrease of RMB166,800 and down 7.23% from RMB2.3077 million at the beginning of 2022.

6. Undistributed profits at the end of the Period amounted to RMB12,028.6463 million, an increase of RMB1,945.32 million and up 19.29% from RMB10,083.3264 million at the beginning of 2022.

7. Minority interests at the end of the Period amounted to RMB1,076.7726 million, an increase of RMB654.7796 million and up 155.16% from RMB421.9931 million at the beginning of 2022. It is mainly due to the introduction of strategic cooperation in the anode materials business during the Reporting Period.

#### (IV) Cash flows

The Company's cash and cash equivalents at the end of the Period amounted to RMB3,911.178 million, a decrease of RMB4,767.6041 million and down 54.93% from RMB8,678.7821 in the same period last year. Below is the breakdown.

1. Net cash flows from operating activities amounted to RMB506.4977 million, up from RMB-364.4951 million in the same period last year, mainly because in February 2021, the Company completed the equity acquisition of polarizer, and due to the low level of raw material inventory before delivery, the Company properly supplemented the raw material inventory after completion of delivery, which increased the demand for operating cash in the polariser business in 2021. Meanwhile, during the Reporting Period, the polariser business developed steadily, the customer mix was good, the payment collection was stable, the inventory was maintained at a reasonable level to meet the Company operations, and the operating cash inflow was good.

2. Net cash flows from investing activities amounted to RMB-4,949.148 million, down from RMB-3,540.264 million in the same period last year, mainly because the cash paid for the expansion of anode material business capacity and the purchase and construction of fixed assets and projects under construction during the Reporting Period increased compared with the same period last year.

3. Net cash flows from financing activities amounted to RMB-328.9493 million, down from RMB10,047.3712 at the end of the Period last year, mainly due to the reduction in bank loans of RMB1.447 billion by the Company during the Reporting Period, but the Company saw a net addition in bank loans of RMB5.335 billion in the same period last year.

Please vote after deliberation.

#### **4. Proposal on the 2022 Annual Profit Distribution Plan**

According to the audit of BDO China Shu Lun Pan Certified Public Accountants LLP, as of 31 December 2022, the parent company's profit available for distribution at the end of the period was RMB3,450,687,783.57. The Company intends to distribute profits in 2022 based on the shares to be distributed (after deducting the special repurchase accounts' shares of the Company from total share capital) registered on the record date for the implementation of equity distribution. The proposal of profit appropriation is as follows:

The Company intends to distribute a cash dividend of RMB3.00 (tax inclusive) per 10 shares to all shareholders. As of the date when the Board of Directors considers the proposal of profit appropriation, the cash dividend to be dispatched by the Company totals RMB671,354,367.30 (tax inclusive) based on the 2,237,847,891 shares to be dispatched by the Company (2,263,973,358 total share capital and 26,125,467 shares in the specific accounts for repurchase of the Company). There will be no transfer from the capital reserve to share capital in this year.

The shares held by the Company in the accounts specific for repurchase will not be included in the extent of the profit attribution, and the Company will disclose the particular number of shares with profit attribution in the announcement of the implementation of equity distribution. If changes in the total share capital or the shares to be distributed of the Company occur during the period commencing from the disclosure date of this proposal to the record date of the implementation of equity distribution due to share repurchase, repurchase or cancellation of shares granted under share incentives and the like, the Company proposes that the distribution proportion of each share will remain the same, and the aggregate amount of distribution will be adjusted accordingly. The details will be disclosed in the announcement of the implementation of equity distribution.

For details, please refer to Announcement on the 2022 Annual Profit Distribution Plan disclosed on the Company's website on April 20, 2023.

Please vote after deliberation.

## **5. Proposal on the Full Text and Abstract of the 2022 Annual Report**

For details, please refer to Full Text and Abstract of the 2022 Annual Report disclosed on the Company's website on April 19, 2023.

Please vote after deliberation.

## **6. Proposal on Re-engagement of BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's Accounting and Audit Agency for the Year 2023**

According to the governance standards for listed companies and relevant regulations, the Company intended to re-engage BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's accounting and audit agency for the year 2023.

The audit fees of the accounting agency are mainly based on the responsibilities undertaken by professional services and the degree of expertise required, taking into account factors such as the experience and level of participating employees, corresponding fee rates, and the amount of working time invested. The specific accounting and audit remuneration shall be determined by the Board of Directors authorized by the Shareholders' Meeting.

For details, please refer to [Announcement on Re-engagement of the Accounting Firm](#) disclosed on the Company's website on April 19, 2023.

Please vote after deliberation.

## **7. Proposal on Re-engagement of BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's Internal Control Audit Agency for the Year 2023**

In order to strengthen the construction of the Company's internal control system and improve the quality of the Company's internal control, the Company intended to continue re-engage BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's internal control audit agency for the year 2023.

The audit fees of the accounting agency will be determined based on factors such as the complexity of the Company's annual business, the scope of the audit, and the actual labor hours invested by employees at all levels participating in the business. The specific internal control audit remuneration shall be determined by the Board of Directors authorized by the Shareholders' Meeting.

For details, please refer to [Announcement on Re-engagement of the Accounting Firm](#) disclosed on the Company's website on April 19, 2023.

Please vote after deliberation.

## 8. Proposal on the Annual Guarantee Amount Provided by the Company for the Year 2023

In order to fulfil the business development needs of Ningbo Shanshan Co., Ltd. (the “Company”), the Company and its subsidiaries intend to provide the amount of the guarantee in 2023 with details as follows (in RMB or equivalent foreign currencies) on the premise of ensuring standard operation and controllable risks pursuant to the Supervision Guidelines for Listed Companies No. 8-Regulatory Requirements for Capital Transactions and External Guarantees of Listed Companies (CSRC Announcement [2022] No. 26), the Articles of Association of Ningbo Shanshan Co., Ltd. and the Measures for the Administration of External Guarantees of Ningbo Shanshan Co., Ltd.:

Scope of the Guarantee	Guarantors	Guaranteed Parties	Amount of the Guarantee
Estimation of the guarantees for companies within the scope of the consolidated financial statements	Ningbo Shanshan Co., Ltd.	Shanjin Photoelectric (Suzhou) Co., Ltd. ( ) and its subsidiaries	Not exceeding RMB4 billion
		Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. ( ) and its subsidiaries	Not exceeding RMB19.5 billion
		Ningbo Ulica SOLAR Co., Ltd. ( )	Not exceeding RMB630 million
	The controlled subsidiary of the Company, Ningbo Shanshan New Material	Ningbo Shanshan Co., Ltd.	Not exceeding RMB1 billion

Tech Co., Ltd.		
The controlled subsidiary of the Company,	Shanghai Shanshan Tech Co., Ltd. ( )	Not exceeding RMB110 million
Shanghai Shanshan Lithium Battery Technology	Shanghai Shanshan New Materials Co., Ltd. ( )	No exceeding RMB19.6 million
Co., Ltd. ( ) and its subsidiaries	Inner Mongolia Shanshan Technology Co., Ltd. ( )	Not exceeding RMB240 million
	Yunnan Shanshan New Material Co., Ltd. ( )	

## 9. Proposal on the Amount of Related Guarantee Provided by the Company for the Year 2023

Ningbo Shanshan Co., Ltd. (the “Company”) and its subsidiaries intend to provide the amount of the expected related guarantee in 2023 with details as follows (in RMB or equivalent foreign currencies), which pursuant to the Supervision Guidelines for Listed Companies No. 8-Regulatory Requirements for Capital Transactions and External Guarantees of Listed Companies (CSRC Announcement [2022] No. 26), the Articles of Association of Ningbo Shanshan Co., Ltd. and the Measures for the Administration of External Guarantees of Ningbo Shanshan Co., Ltd.:

Scope of the Guarantee	Guarantor	Guaranteed Parties	Amount of the Guarantee	Description of Relationships of Connection
Estimation of guarantees for the proposed subsidiaries not included in the Company	Ningbo Shanshan Co., Ltd.	Ningbo Shanxin Photovoltaic Energy Management Co., Ltd. ( ) and its subsidiaries Note 3	Not exceeding RMB823 million	Note 1
	The controlled subsidiary of the Company, Ningbo Ulica SOLAR Co., Ltd. ( )	Subsidiaries of Ningbo Shanxin Photovoltaic Energy Management Co., Ltd. ( )	Not exceeding RMB170 million	
	The controlled subsidiary of the Company, Ningbo Shanxin	Subsidiaries of Ningbo Shanxin Photovoltaic Energy Management Co., Ltd. ( )	Not exceeding RMB410 million	

	Photovoltaic Energy Management Co., Ltd. ( )			
Estimation of the Company's guarantee to the shareholding companies	Ningbo Shanshan Co., Ltd.	BASF Shanshan Battery Materials Co., Ltd. ( )	Not exceeding RMB530 million	Note 2
		BASF Shanshan Battery Materials (Ningxia) Co., Ltd. ( )	Not exceeding RMB270 million	
		Shanshan Advanced Materials (Quzhou) Co., Ltd. ( )	Not exceeding RMB213 million	Note 3
	Sub-total			

(“BASF Shanshan”) and its wholly-owned subsidiary BASF Shanshan Battery Materials (Ningxia) Co., Ltd.( ) are joint ventures in which the Company holds 49% of the shares. Mr. Li Zhihua, the director and general manager of the Company, Mr. Yang Feng, the director, serve as the director of BASF Shanshan, and Mr. Peng Wenjie, the director, serves as the executive of BASF Shanshan. Pursuant to the relevant provisions of Article 6.3.3 of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange ( ), BASF Shanshan is a connected legal person of the Company, and this guarantee constitutes a connected transaction. When the Board of Directors of the Company deliberated this guarantee, the related directors Mr. Li Zhihua, Mr. Yang Feng and Mr. Peng Wenjie avoided from voting, and the other non-related directors unanimously agreed.

The guarantees of the Company to the BASF and its wholly-owned subsidiaries may be adjusted mutually when the following conditions are also met:

1. amount of a single adjustment of the adjustment beneficiary does not exceed 10% of the latest audited net assets of the Company;
2. for any guaranteed party with an asset-liability ratio over 70% at the time of the adjustment, the amount of the guarantee can only be obtained from the guaranteed party with an asset-liability ratio over 70% (when the general meeting considers the amount of the guarantee);
- 3.the adjustment beneficiary does not have overdue outstanding debts or other situations at the time of adjustment.

Note 3: Shanshan Advanced Materials (Quzhou) Co., Ltd. (

) (“Quzhou Shanshan”) is joint venture in which the Company holds 31.25% of the shares. Mr. Li Zhihua, the director and general manager of the Company, serves as the director of Quzhou Shanshan, and Mr. Yang Feng, a director of the Company, has served as a director of Quzhou Shanshan in the past 12 months. Pursuant to the relevant provisions of Article 6.3.3 of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange ( ), Quzhou Shanshan is a connected legal person of the Company, and this guarantee constitutes a connected transaction. When the Board of Directors of the Company deliberated this guarantee, the related director Mr. Li Zhihua avoided from voting, and the other non-related directors unanimously agreed.

The total guarantee amount mentioned above is RMB2.416 billion, the Company authorized the chairman of the Board or his authorized agent to sign specific guarantee documents within the amount limit. The term is from the date of consideration and approval at the 2022 Annual General Meeting to the date of the 2023 Annual General Meeting.

For details, please refer to [Announcement on the Annual Guarantee Amount Provided for the Year 2023](#) disclosed on the Company’s website on April 19, 2023.

Please vote after deliberation.

## **10. 2022 Internal Control Evaluation Report of Ningbo Shanshan Co., Ltd.**

For details, please refer to [2022 Internal Control Evaluation Report of Ningbo Shanshan Co., Ltd.](#) disclosed on the Company's website on April 19, 2023.

Please vote after deliberation.

## **11. 2022 Environmental, Social and Governance (ESG) Report of Ningbo Shanshan Co., Ltd.**

For details, please refer to [2022 Environmental, Social, and Governance \(ESG\) Report](#) disclosed on the Company's website on April 19, 2023.

Please vote after deliberation.

## **12. Proposal on Electing Non-independent Directors of the Eleventh Session of the Board of Directors of the Company**

Considering that the term of office of the Tenth Session of BOD of the Company is about to expire, the Tenth Session of BOD nominates Mr. Zheng Ju, Mr. Zhuang Wei, Mr. Li Zhihua, Ms. Li Fengfeng, Mr. Zhu Zhiyong, Mr. Li Keqin, Ms. Zhou Ting, as candidates for non-independent directors of the Eleventh Session of BOD of the Company.

### **12.01 Proposal on Electing Mr. Zheng Ju as the Non-independent Director of the Eleventh Session of the Board of Directors of the Company**

**Zheng Ju**, male, Chinese nationality, born in 1991, having no overseas permanent residency, undergraduate, is now pursuing a Finance EMBA in PBC School of Finance, Tsinghua University, the Chairman and President of Shanshan Holdings Co., Ltd., the director of Shanshan Group Co., Ltd., and the Chairman of Ningbo Shanshan Co., Ltd.

As the son of Mr. Zheng Yonggang, the former actual controller of the Company, Mr. Zheng Ju currently does not directly hold shares of the Company at present. According to 3.2.2 of the *Guidelines of Shanghai Stock Exchange for Self-regulation of Listed Companies No. 1 - Standardized Operation*, he is qualified to be nominated as a director of a listed company.

### **12.02 Proposal on Electing Mr. Zhuang Wei as the Non-independent Director of the Eleventh Session of the Board of Directors of the Company**

**Zhuang Wei**, male, Chinese nationality, born in 1966, having no overseas permanent residency, with a PhD in Economics from Peking University, was once the General Manager of Ningbo Shanshan Venture Capital Co., Ltd., the General Manager of Ningbo Shanshan Co., Ltd., the Chairman and General Manager of Ningbo Shanshan Co., Ltd., and the Chairman of Shanshan Group Co., Ltd, and is now a director of Shanshan Holdings Co., Ltd., Vice Chairman of Ningbo Shanshan

### **12.03 Proposal on Electing Mr. Li Zhihua as the Non-independent Director of the Eleventh Session of the Board of Directors of the Company**

**Li Zhihua**, male, Chinese nationality, born in 1968, having permanent residency in the United States, holding a college degree, was once the Chairman of Dongguan Shanshan Battery Materials Co., Ltd., the Chairman of Ningbo Shanshan New Material Technology Co., Ltd., the Chairman of Hunan Shanshan Energy Technology Co., Ltd., the Deputy General Manager of Ningbo Shanshan Co., Ltd., and the Chairman and General Manager of Ningbo Shanshan Co., Ltd, and is now a director of Shanshan Holdings Co., Ltd. and a director and the General Manager of Ningbo Shanshan Co., Ltd.

Mr. Li Zhihua holds 4.86 million shares of the Company. According to 3.2.2 of the *Guidelines of Shanghai Stock Exchange for Self-regulation of Listed Companies No. 1 - Standardized Operation*, he is qualified to be nominated as a director of a listed company.

### **12.04 Proposal on Electing Ms. Li Fengfeng as the Non-independent Director of the Eleventh Session of the Board of Directors of the Company**

**Li Fengfeng**, female, Chinese nationality, born in 1980, having no overseas permanent residency, holding a bachelor's degree, was once the Deputy Director of the Planning Department, the Manager of the President's Office, the Assistant to the President and Vice President of Shanshan Holdings Co., Ltd., and is now a director of Ningbo Shanshan Co., Ltd. and the Chairman of Shanghai Shanshan Lithium Battery Technology Co., Ltd. and its several subsidiaries.

Miss Li Fengfeng holds 3.36 million shares of the Company (including 450,000 restricted shares). According to 3.2.2 of the *Guidelines of Shanghai Stock Exchange for Self-regulation of Listed Companies No. 1 - Standardized Operation*, she is qualified to be nominated as a director of a listed company.

### **12.05 Proposal on Electing Mr. Zhu Zhiyong as the Non-independent Director of the Eleventh Session of the Board of Directors of the Company**

**Zhu Zhiyong**: Male, Chinese nationality, born in 1970, having no overseas permanent residency, a polarizer industry expert with bachelor's degree, who has been serving as the President of Chinese Polarizer Business of LG Chem (Nanjing) since 2004, and currently serves as Director and General Manager of Shanjin Optoelectronics (Suzhou) Co., Ltd.

Mr. Zhu Zhiyong holds 0.29 million shares of the Company (are all restricted shares). According to 3.2.2 of the *Guidelines of Shanghai Stock Exchange for Self-regulation of Listed Companies No. 1 - Standardized Operation*, she is qualified to be nominated as a director of a listed company.

#### **12.06 Proposal on Electing Mr. Li Keqin as the Non-independent Director of the Eleventh Session of the Board of Directors of the Company**

**Li Keqin:** Male, Chinese nationality, born in 1975, having no overseas permanent residency, a certified tax agent and accountant with bachelor's degree, who used to serve as Vice President and CFO of Ningbo Shanshan Fashion Clothing Brand Management Co., Ltd, Deputy Chief Financial Officer and Head of Finance Department of Ningbo Shanshan Co., Ltd; and currently served as CFO of Ningbo Shanshan Co., Ltd.

Mr. Li Keqin does not hold shares of the Company at present. According to 3.2.2 of the *Guidelines of Shanghai Stock Exchange for Self-regulation of Listed Companies No. 1 - Standardized Operation*, he is qualified to be nominated as a director of a listed company.

#### **12.07 Proposal on Electing Ms. Zhou Ting as the Non-independent Director of the Eleventh Session of the Board of Directors of the Company**

**Zhou Ting:** Female, Chinese nationality, born in 1982, having no overseas permanent residency, holding double master degree (master of Zhejiang University majoring in Journalism and Communication, and EMBA of Cheung Kong Graduate School of Business), who used to be a member of Shanghai Youth Federation, a reporter and anchor of the News Department of Zhejiang Satellite TV and Dragon TV, a reporter and anchor of the News Department of China Business Network, and a producer of the "Fluting of Two Sessions" series.

Ms. Zhou Ting is the spouse of Mr. Zheng Yonggang, the former actual controller of the Company. She does not directly hold any shares of the Company. According to 3.2.2 of the *Guidelines of Shanghai Stock Exchange for Self-regulation of Listed Companies No. 1 - Standardized Operation*, she is qualified to be nominated as a director of a listed company.

This proposal adopts the cumulative voting scheme. Please vote on each item after deliberation.

### **13. Proposal on Electing Independent Directors of the Eleventh Session of the Board of Directors of the Company**

Considering that the term of office of the Tenth Session of BOD of the Company is about to expire, the Tenth Session of BOD nominates Mr. Zhang Chunyi, Mr. Xu Yanxiu, Mr. Zhang Yunfeng and Mr. Zhu Jingtao, as candidates for independent directors of the Eleventh Session of BOD of the Company. The candidates for the independent directors have been reviewed and agreed by Shanghai Stock Exchange.

#### **13.01 Proposal on Electing Mr. Zhang Chunyi as the Independent Director of the Eleventh Session of the Board of Directors of the Company**

**Zhang Chunyi**, male, Chinese nationality, born in 1963, having no overseas permanent residency, holding a master's degree, worked for Shanghai Open University (formerly Shanghai Television University) from 1984 to February 2023, was once the Dean and Associate Professor of the Department of Accounting and Finance at the School of Economics and Management, Shanghai Open University, and is now an independent director of the tenth session of Board of Directors of Ningbo Shanshan Co., Ltd.

Mr. Zhang Chunyi has no affiliated relationship with the Company's directors, supervisors, senior managers, actual controllers or shareholders holding more than 5% of the shares, but Mr. Zhang Chunyi's spouse holds 20,000 shares of the Company. According to 3.2.2 of the *Guidelines of Shanghai Stock Exchange for Self-regulation of Listed Companies No. 1 - Standardized Operation*, he is qualified to be nominated as a director of a listed company.

#### **13.02 Proposal on Electing Mr. Xu Yanxiu as the Independent Director of the Eleventh Session of the Board of Directors of the Company**

**Xu Yanxiu**, male, Chinese nationality, born in 1966, having no overseas permanent residency, holding a master's degree, is now a legislative consulting expert of the Standing Committee of the Ningbo Municipal People's Congress, a member of the Supervisory and Judicial Work Committee of the 15<sup>th</sup> Standing Committee of the Ningbo Municipal People's Congress, Chief Supervisor of Ningbo Lawyers Association and an arbitrator of Ningbo Arbitration Commission. He is now the head, managing partner and Grade 1 lawyer of Grandall (Ningbo) Law Firm, an independent director of Ningbo Marine Company Limited and Ningbo Fuda Co., Ltd., and an independent director of the 10<sup>th</sup> Board of Directors of Ningbo Shanshan Co.,

Ltd.

Mr. Xu Yanxiu has no affiliated relationship with the Company's directors, supervisors, senior managers, actual controllers or shareholders holding more than 5% of the shares, and he holds no shares of the Company. According to 3.2.2 of the *Guidelines of Shanghai Stock Exchange for Self-regulation of Listed Companies No. 1 - Standardized Operation*, he is qualified to be nominated as a director of a listed company.

### **13.03 Proposal on Electing Mr. Zhang Yunfeng as the Independent Director of the Eleventh Session of the Board of Directors of the Company**

**Zhang Yunfeng:** Male, Chinese nationality, born in 1975, having no overseas permanent residency, master, who used to serve as the Investment Director and Fund Partner of Unity Asset Management, Executive Director, Chief Operating Officer, Chief Investment Officer and Special Advisor to the Board of Yingde Gases, Chairman of Xinjiang Haoyuan Natural Gas Co., Ltd; currently serves as Director and General Manager of Shanghai Yuanhan Energy Technology Co., Ltd.

Mr. Zhang Yunfeng has no affiliated relationship with the Company's directors, supervisors, senior managers, actual controllers or shareholders holding more than 5% of the shares, and he holds no shares of the Company. According to 3.2.2 of the *Guidelines of Shanghai Stock Exchange for Self-regulation of Listed Companies No. 1 - Standardized Operation*, he is qualified to be nominated as a director of a listed company.

### **13.04 Proposal on Electing Mr. Zhu Jingtao as the Independent Director of the Eleventh Session of the Board of Directors of the Company**

**Zhu Jingtao,** male, Chinese nationality, born in 1978, having no overseas permanent residency, holding a doctoral degree from Fudan University, has been working at Tongji University since 2005. He has been committed to the research on optical thin films and related fields for a long time and has won the second prize of Shanghai Technology Invention Award and the third prize of Military Science and Technology Progress

*Guidelines of Shanghai Stock Exchange for Self-regulation of Listed Companies No. 1 - Standardized Operation*, he is qualified to be nominated as a director of a listed company.

This proposal adopts the cumulative voting scheme. Please vote on each item after deliberation.

## **14. Proposal on Electing Supervisors of the Eleventh Session of the Board of Supervisors of the Company**

As the term of office of the supervisors of the tenth session of the Board of Supervisors of the Company is about to expire, the tenth session of the Board of Supervisors nominates Ms. Hong Zhibo and Ms. Xu Chao as the candidates of supervisor for the eleventh session of the Board of Supervisors of the Company.

### **14.01 Proposal on Electing Ms. Hong Zhibo as the Supervisor of the Eleventh Session of the Board of Supervisors of the Company**

**Hong Zhibo**, female, Chinese nationality, born in 1981, having no overseas permanent residency, holding a bachelor's degree, was once the Assistant to the Manager, Deputy Manager and the Manager of the Finance Department of Ningbo Shanshan Co., Ltd., the Manager of the Fund Management Department of Ningbo Shanshan Co., Ltd, and is now the Fund Manager of the Finance Department of Ningbo Shanshan Co., Ltd.

Miss Hong Zhibo holds no shares of the Company. According to 3.2.2 of the *Guidelines of Shanghai Stock Exchange for Self-regulation of Listed Companies No. 1 - Standardized Operation*, she is qualified to be nominated as a supervisor of a listed company.

### **14.02 Proposal on Electing Ms. Xu Chao as the Supervisor of the Eleventh Session of the Board of Supervisors of the Company**

**Xu Chao**, female, Chinese nationality, born in 1990, having no overseas permanent residency, holding a bachelor's degree, was once the Administrative Officer and Assistant to the Manager of the Administration and HR Department of Ningbo Shanshan Co., Ltd., and the Secretary to the Chairman of Shanshan Group Co., Ltd. and is now the Secretary to the Vice Chairman and Assistant to the Office Manager of Ningbo Shanshan Co., Ltd.

Miss Xu Chao holds no shares of the Company. According to 3.2.2 of the *Guidelines of Shanghai Stock Exchange for Self-regulation of Listed Companies No. 1 - Standardized Operation*, she is qualified to be nominated as a supervisor of a listed company.

This proposal adopts the cumulative voting scheme. Please vote on each item after deliberation.

**Ningbo Shanshan Co., Ltd.**  
**2022 Performance Report of Independent Directors**

For details, please refer to [2022 Performance Report of Independent Directors of Ningbo Shanshan Co., Ltd.](#) disclosed on the Company's website on April 19, 2023.