

Ad hoc announcement pursuant to Art. 53 LR

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

# **Announcement on the Resolutions of the Sixth Meeting of the Eleventh Session of the Board of Directors**

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

(I) The Sixth Meeting of the Eleventh Session of the Board of Directors (BOD) of Ningbo Shanshan Co., Ltd. (the “Company”) was held in accordance with the Company Law of the People's Republic of China, the Articles of Association of Ningbo Shanshan Co., Ltd. and the applicable laws and regulations.

(II) Notice of this meeting of the BOD was given in writing to all on 12 December 12 2023, and the meeting was held on 13 December 2023 by way of communication voting. Mr. Zheng Ju, Chairman of the Company, presided over this meeting of BOD and explained the emergency of this interim meeting of the BOD.

(III) There were 11 directors who should have participated in the voting at the BOD meeting, and 11 directors actually participated. Mr. Xu Yanxiu, an independent director, was unable to attend the meeting due to work reasons, and entrusted Mr. Zhang Chunyi, an independent director, to vote on his behalf.

### **II. Results of the Meeting of the Board of Directors**

The meeting deliberated and approved the following proposals:

#### **(I) Proposal on the Subsidiary's Proposed Investment and Construction of the High-end Display Polarizer Production Line Project**

(For details, please refer to the website of the Company)

(11 affirmative; 0 dissentient; 0 abstaining; 0 avoiding)

In view of the fast-growing demand for high-end display polarizers and vast potential for domestic substitution, coupled with the Company's polarizer business development strategy, the Company approved its subsidiary Shanjin Optoelectronics (Suzhou) Co., Ltd. to set up a project company in Yangzhou and invest in the construction of a production line project with an annual output of 40 million square

meters of high-end display polarizers. The total planned investment amount of the project is not more than RMB6 billion (including the investment amount of the purchase price for the Company's proposed acquisition of LG Chem's SP business and related assets and the investment amount in subsequent relocation and renovation, which is subject to the actual investment amount). This aims to optimize the Company's product structure, enrich product applications, further meet the needs of downstream customers, and continue to enhance the polarizer market share. Basic information of the project is as follows:

1. Project name: High-end Display Polarizers Production Lines of Shanjin Optoelectronics (Yangzhou) Co., Ltd.

2. Project place: Jiangdu Economic Development Zone, Yangzhou, Jiangsu Province.

3. Investment amount and source of funds: The total planned investment amount is not more than RMB6 billion (including the investment amount of the purchase price for the Company's proposed acquisition of LG Chem's SP business and related assets and the investment amount in subsequent relocation and renovation, which is subject to the actual investment amount). The sources of funds include the Company's own funds (mainly owned by Shanjin Optoelectronics (Suzhou) Co., Ltd.) and financing (including but not limited to bank project loans, working capital loans, refinancing, etc.).

4. Construction content and scale: Two high-end polarizer production lines for consumer electronics display (including polarizer for OLED and LCD IT/Mobile

The Board of Directors of the Company requested the general meeting to authorize the management to deal with the specific matters related to this outward investment, including but not limited to the signing agreements and documents related to this investment (if any).

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

**(II) Proposal on Provision of Connected Guarantee for Ningbo Ulica Solar Energy Co., Ltd.**

(10 affirmative; 0 dissentient; 0 abstaining; 1 avoiding)

On May 10, 2023, the annual general meeting of the Company for 2022 passed the Proposal on the Annual Guarantee Amount Provided by the Company in 2023, approving the Company to provide guarantee of no more than RMB630 million for its subsidiary Ningbo Ulica Solar Energy Co., Ltd. (“Ulica”), and authorizing the Chairman or his authorized agent to sign the specific guarantee documents within the amount. It shall be valid from the date of approval of the 2022 annual general meeting to the date of the 2023 annual general meeting. As of November 30, 2023, the Company had provided a guarantee amount totaling RMB450 million for Ulica within the aforesaid limit of guarantee.

Recently, in order to further focus on the development of the core business, optimize resource allocation and improve the core competence of the Company, after the review and approval of the General Manager's office, the Company approved to transfer 90.035% of its equity in Ulica to Shanghai Xintonghui Photovoltaic Technology Co., Ltd. (the “Counterparty”). Upon the completion of this transaction, the Company will no longer hold any equity of Ulica.

In accordance with the Acquisition and Equity Transfer Contract (the "Contract") to be signed between the Company and the Counterparty, to ensure the stable operation of Ulica, the Company intends to continue the provision of the aforesaid guarantee for Ulica, with an aggregate amount of RMB450 million, for a period up to the date of the 2023 annual general meeting of the Company.

During the period of existence of the aforesaid guarantee, Ulica and the Counterparty agree to provide a full counter-guarantee and sign a counter-guarantee

agreement, with the guarantee period of the counter-guarantee lasting from the date of signing of the borrowing contract of a single credit facility to three years after the date of the expiration of the period of fulfillment of the obligations of Ulica under such borrowing contract. In addition, until the above guarantee is released, the Company has the right to co-manage Ulica in the manner set out in the Contract, such as appointing a capital director.

Given that Mr. Li Keqin, a director and the chief financial officer of the Company, serves as a director of Ulica, which is a connected legal person of the Company, based on the relevant provisions of Rule 6.3.3 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the provision of guarantees by the Company for Ulica will constitute a connected transaction.

The related director, Mr. Li Keqin, avoided from voting, while other unrelated directors unanimously agreed. This connected guarantee has been considered and approved at the special meeting of the independent directors of the Company with 4 votes in favor, 0 votes against and 0 abstentions. For the specific opinions of the special meeting of independent directors, please refer to the Resolution of the First Meeting of the Special Meeting of Independent Directors of Ningbo Shanshan Co., Ltd. of 2023 disclosed by the Company on the official website on the date of disclosure of this announcement.

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

### **(III) Proposal on Revision or Formulation of the Relevant Policies of the Company**

(11 affirmative; 0 dissentient; 0 abstaining; 0 avoiding)

It is proposed to revise or formulate the following policies of the Company based on the relevant situations of the Company and in accordance with the Administrative Measures for Independent Directors of Listed Companies of the China Securities Regulatory Commission (CSRC Order [No. 220]), the Administrative Measures for the Selection and Employment of Accounting Firms by State-Owned Enterprises and Listed Companies (Cai Kuai [2023] No. 4), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (revised in August 2023), the SSE Regulatory

Guidelines for Self-discipline Supervision of Listed Companies No. 1 – Standard Operation (revised in August 2023), and the SSE Regulatory Guidelines for Self-discipline Supervision of Listed Companies No. 2 – Management of Information Disclosure Affairs, and other relevant laws, regulations and normative documents:

Serial No.	Policy name	Revision or formulation	Submitted to general meeting for consideration or not
1	The Articles of Association of Ningbo Shanshan Co., Ltd. and its attachments, the Rules of Procedures for General Meeting of Ningbo Shanshan Co., Ltd., and the Rules of Procedures for the Board of Directors of Ningbo Shanshan Co., Ltd.	Revision	Yes
2	The Rules for Independent Directors of Ningbo Shanshan Co., Ltd.	Revision	Yes
3	The Measures for Management of Connected Transactions of Ningbo Shanshan Co., Ltd.	Revision	Yes
4	The Measures for Management of Fundraising of Ningbo Shanshan Co., Ltd.	Revision	Yes
5	The Working Rules of the Audit Committee under the Board of Directors of Ningbo Shanshan Co., Ltd.	Revision	No
6	The Working Procedures of the Audit Committee under the Board of Directors of Ningbo Shanshan Co., Ltd.	Revision	No

submitted to the general meeting for consideration.

**(IV) Proposal on the Notice of Convening the Third Extraordinary General Meeting of Ningbo Shanshan Co., Ltd. for 2023**

(For details, please refer to the website of the Company)

(11 affirmative; 0 dissentient; 0 abstaining; 0 avoiding)

The Board of Directors of the Company has scheduled the convening of the Third Extraordinary General Meeting for 2023 on December 29, 2023, at which the following proposals will be considered:

1. Proposal on the Subsidiary's Proposed Investment and Construction of the High-end Display Polarizer Production Line Project;
2. Proposal on Provision of Connected Guarantee for Ningbo Ulica Solar Energy Co., Ltd.;
3. Proposal on Revising the Articles of Association of Ningbo Shanshan Co., Ltd. and Its Attachments;
4. Proposal on Revising the Relevant Policies of the Company;
  - 4.1 Proposal on Revising the Rules for Independent Directors of Ningbo Shanshan Co., Ltd.
  - 4.2 Proposal on Revising the Measures for Management of Connected Transactions of Ningbo Shanshan Co., Ltd.
  - 4.3 Proposal on Revising the Measures for Management of Fundraising of Ningbo Shanshan Co., Ltd.
5. Proposal on Formulating the Rules for Selection and Appointment of Accounting Firms of Ningbo Shanshan Co., Ltd.

It is hereby announced.

Board of Directors of Ningbo Shanshan Co., Ltd.

December 13, 2023