Ad hoc announcement pursuant to Art. 53 LR

Ningbo Shanshan Co., Ltd.

Announcement 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

Ningbo Shanshan Co., Ltd. (the "Company" or "Shanshan") held the Thirty-third Meeting of the Tenth Session of the Board of Directors and the Twenty-first Meeting of the Tenth Session of the Supervisory Committee on 11 August 2022, and considered and passed the 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 Proposal has yet to be submitted to the general meeting of the Company for consideration and approval, and is announced as follows:

I. Decision-making Procedures and Information Disclosure Performed by the Company's 2022 Stock Option and Restricted Share Incentive Plan

1. On 23 February 2022, the Company held the Twenty-fifth Meeting of the Tenth Session of the Board of Directors and the Sixteenth Meeting of the Tenth Session of the Supervisory Committee, and considered and passed the Proposal on the 2022 Stock Option and Restricted Share Incentive Plan (Draft) of Ningbo Shanshan Co. Ltd. and Its Summary, the Proposal on the Measures for Management of Appraisal for the

the Company expressed their written consent to the Company's 2022 Stock Option and Restricted Share Incentive Plan (the "Incentive Plan" or "Share Incentive Plan") and other related proposals, Beijing Tian Yuan Law Firm issued a legal opinion and Huatai United Securities Co., Ltd. issued an independent financial advisory opinion on the aforesaid matter.

2. From 24 February to 5 March 2022, the Company publicized the names and

positions of the proposed Incentive Recipients of this Incentive Plan in the internal office system, and the Supervisory Committee of the Company did not receive any objection related to the Incentive Recipients of this Incentive Plan during the public period. On 7 March 2022, the Supervisory Committee of the Company published the Explanation of the Supervisory Committee of Ningbo Shanshan Co., Ltd. on the Review and Publication Response Regarding the List of Incentive Recipients of the 2022 Stock Option and Restricted Share Incentive Plan.

3. On 14 March 2022, the Company held the First Extraordinary General Meeting of 2022 and considered and passed the Proposal on the 2022 Stock Option and Restricted Share Incentive Plan (Draft) of Ningbo Shanshan Co. Ltd. and Its Summary, the Proposal on the 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 related proposals. Beijing Tian Yuan Law Firm attended and witnessed this general meeting.

4. On 18 March 2022, the Company held the Twenty-sixth Meeting of the Tenth Session of the Board of Directors and the Seventeenth Meeting of the Tenth Session of the Supervisory Committee, and considered and passed the Proposal on Adjusting the List of Incentive Recipients of the Company's 2022 Stock Option and Restricted Share Incentive Plan and the Proposal on the First Grant of Stock Options to Incentive Recipients under the Company's 2022 Stock Option and Restricted Share Incentive Plan. Beijing Tian Yuan Law Firm issued a legal opinion on the matter and Huatai United Securities Co., Ltd. issued an independent financial advisory opinion on matters related to the first grant of stock options.

5. On 5 May 2022, the Company completed the registration procedures for the first grant of stock options under the 2022 Stock Option and Restricted Share Incentive Plan at the China Securities Depository and Clearing Corporation Limited Shanghai Branch. The actual amount of Incentive Recipients for the first grant of stock options was 435, the number of grants was 45.01 million, the exercise price was RMB28.18/share, and the registration completion date was 5 May 2022.

6. On 26 May 2022, the Company held the Thirtieth Meeting of the Tenth Session of the Board of Directors and the Twentieth Meeting of the Tenth Session of the Supervisory Committee, and considered and passed the 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, the Proposal on

Adjusting the List of Incentive Recipients, Grant Price and Grant Amount of Restricted Shares under the Company's 2022 Stock Option and Restricted Share Incentive Plan and other related proposals. The independent directors of the Company issued a written consent opinion in this regard, the Supervisory Committee issued an audit opinion on the above matters, Beijing Tian Yuan Law Firm issued a legal opinion on the above matters and Huatai United Securities Co., Ltd. issued an independent financial adviser opinion on matters related to the first grant of restricted shares.

7. On 6 June 2022, the Company completed the registration procedures for the first grant of restricted shares under the 2022 Stock Option and Restricted Share Incentive Plan at the China Securities Depository and Clearing Corporation Limited Shanghai Branch. The actual amount of Incentive Recipients for the first grant of stock options was 417, the number of grants was 18,334,100, the grant price was RMB13.76/share, and the registration completion date was 6 June 2022.

8. On 11 August 2022, the Company held the Thirty-third Meeting of the Tenth Session of the Board of Directors and the Twenty-first Meeting of the Tenth Session of the Supervisory Committee, and considered and passed the 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, agreeing that the Company adjusts part of the performance appraisal targets under the 2022 Stock Option and Restricted Share Incentive Plan in conjunction with the actual situation. The independent directors of the Company issued a written consent opinion in this regard, the Supervisory Committee issued an audit opinion on the above matters, Beijing Tian Yuan Law Firm issued a legal opinion on the above matters and Huatai United Securities Co., Ltd. issued an independent financial adviser opinion on the above matters.

II. Reasons for Adjusting Part of the Performance Appraisal Targets

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.

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.

III. Details for Adjusting Part of the Performance Appraisal Targets

The details before and after the adjustment of the expected growth rate of departmental performance for each year corresponding to "I. Stock Option Incentive Plan -- (VII) Grant and exercise of stock options -- 2. Conditions for exercising stock options -- (4) Departmental performance reaches departmental performance appraisal targets" and "II. Restricted Share Incentive Plan -- (VII) Conditions for grant and unlocking of restricted shares -- 2. Conditions for unlocking restricted shares -- (4) Departmental performance reaches departmental performance appraisal targets" in "Chapter V. Contents of the Share Incentive Plan" of the Company's 2022 Stock Option and Restricted Share Incentive Plan (Draft) 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**	
The first exercise/unlocking	Operating income	Based on the operating income of polarizer business in 2021, the expected	Operating income	Based on the operating income of anode materials business in 2021, the expected

period		growth rate of the operating income of polarizer business in 2022 is 17%		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	[redacted]
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.4(ia4(s)23.8.92 148.33)0.5(r6(t)-1

[redacted]

shareholders, the Company and core personnel for the three to jointly promote the long-term development of the Company, which is in line with the interests of the Company and its shareholders. This revision of the Company's 2022 Stock Option and Restricted Share Incentive Plan (Draft) will not have a material impact on the financial position and results of operations of the Company.

V. Procedures Performed for Adjusting Part of the Performance Appraisal Targets

1. Deliberation by the Board

On 11 August 2022, the Company held the Thirty-third Meeting of the Tenth Session of the Board of Directors, and considered and passed the Proco95 Td [(S)-4(e)4(s)-1(s)-1(i)-2745

agreed to the adjustment.

3. Independent opinion of independent directors

The independent directors were of the opinion that the adjustment of part of the performance appraisal targets under the 2022 Stock Option and Restricted Share Incentive Plan is an effective measure to cope with the current realities of the Company, and this adjustment can combine the interests of the employees, the Company and the shareholders more effectively and continue to bring into play the incentive role of this Incentive Plan, which is conducive to the sustainable, stable and healthy development of the Company, and there are no circumstances that are detrimental to the interests of the Company and its shareholders, especially the minority shareholders.

The voting procedures and process of adjusting part of the performance appraisal targets under the 2022 Stock Option and Restricted Share Incentive Plan are legitimate and in compliance with the relevant laws and regulations such as the Measures for the Administration of Equity Incentives of Listed Companies and the provisions of the Company’s 2022 Stock Option and Restricted Share Incentive Plan (Draft). We agreed to the 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 and submitted it to the Company's general meeting for consideration.

listed company and all shareholders.

2. Concluding opinion of the legal opinion

In the opinion of lawyers of Beijing Tian Yuan Law Firm, as of the date of this legal opinion, the amendments of the Incentive Plan have obtained the necessary approval and authorization, and are in compliance with the provisions of the Measures for the Administration of Equity Incentives of Listed Companies and the 2022 Stock Option and Restricted Share Incentive Plan of Ningbo Shanshan Co., Ltd. (Draft). The amendments of the Incentive Plan is to be considered and approved by the general meeting of the Company; the amendments of the Incentive Plan does not lead to accelerated exercise or early unlocking of restricted sales, nor does it lower the exercise price or grant price, which is in compliance with the relevant provisions of the Measures for the Administration of Equity Incentives of Listed Companies and the 2022 Stock Option and Restricted Share Incentive Plan of Ningbo Shanshan Co., Ltd. (Draft), and there are no circumstances that are detrimental to the interests of the listed company and all shareholders.

This announcement is hereby made.

Board of Directors of Ningbo Shanshan Co., Ltd.

11 August 2022