Ad hoc announcement pursuant to Art. 53 LR

# Ningbo Shanshan Co., Ltd.

# Announcement

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 Share Optionsand 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 Share Options and Restricted Share Incentive Plan of Ningbo Shanshan Co. Ltd. and other related proposals. The independent directors of the Company expressed their written consent to the Company's 2022 Share Options 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.

Incentive Plan and the Proposal on the First Grant of Share Options to Incentive Recipients under the Company's 2022 Share Options 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 share options.

(5) On 5 May 2022, the Company completed the registration procedures for the first grant of share options under the 2022 Share Options 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 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 Share Options and Cancelling Certain Share Options under the Company's 2022 Share Options 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 Share Options 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 Share Options 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 share 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.

On June 21, 2022, the Company completed the relevant modified registration

procedures for the first grant of share options in the 2022 Share Options and Restricted Share Incentive Plan in China Securities Depository and Clearing Co., Ltd. Shanghai Branch. After this change, the incentive persons for the first grant of share options in the Company's equity Incentive Plan were adjusted from 435 to 430, The number of share options granted for the first time but not yet exercised has been adjusted from 45,010,000 to 44,520,000, and the exercise price has been adjusted to 27.85 RMB per share.

(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 Share Options and Restricted Share Incentive Plan and Amendment to Related Documents, agreeing that the Company adjusts part of the performance appraisal targets under the 2022 Share Options 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.

On August 29, 2022, the Company held the Third

(10) On 2 August 2023, the Company held the second meeting of the 11th Board of Directors and the second meeting of the 11th Board of Supervisors, reviewed and passed the Proposal on Adjusting the Relevant Equity Price, Cancelling Certain Share Options and Repurchasing and Cancelling Certain Restricted Shares in the Company's 2022 Share Options and Restricted Shares Incentive Plan, and agreed to adjust the exercise price to RMB27.55/share. The repurchase price was adjusted to RMB13.46/share or RMB13.46/share plus the sum of bank deposit interest for the same period, total 12,436,200 share options that have been granted but not yet exercised were cancelled, and, 980,725 restricted shares that have been granted but not yet lifted were repurchased and cancelled. The independent directors of the Company have expressed written agreement on this matter, and the Board of Supervisors has issued an audit C

share options in this Incentive Plan as follows:

P=$P_0$-V=RMB 27.85/portion-RMB 0.30/portion=RMB 27.55/portion.

2) The repurchase price adjustment of restricted shares

According to the provisions of this Incentive Plan, T2543(t)0.B

assessment indicators in the first exercise/release of restricted sales period and the fact that the incentive targets no longer qualify as the incentive targets due to resignation or retirement. The specific details are as follows:

(1) Failure to achieve performance assessment indicators in the first exercise/release of restricted sales period

According to relevant data in 2022 audit report of the Company issued by BDO China Shu Lun Pan Certified Public Accountants LLP, the Company's performance assessment indicators for the first exercise/release of restricted sales period did not meet the exercise/release of restricted sales conditions, mainly due to the year-on-year decrease in its operating revenue caused by the significant decline in the price of overall lithium industry in the electrolyte business and the operating revenue growth below expectations caused by the staged downward industry demand for the Company's polarizer business in the second half of 2022. Therefore, the Company proposes to cancel all share options/restricted shares in the first exercise/release of restricted sales period of all incentive targets that have been granted but have not yet been exercised/released of restricted sales. The repurchase price of restricted shares will be the sum of the price of RMB 13.76/share and the bank deposit interest in the same period.

(2) The incentive targets' resignation or retirement

1) Among the incentive targets of the share options granted according to the Incentive Plan, 18 persons have resigned, 2 persons has retired, and they no longer qualify as incentive targets. It is planned to cancel all share options granted but not yet exercised;

2) Among the incentive targets of the restricted shares granted according to the Incentive Plan, 13 persons have resigned, 1 person has retired, and they no longer qualify as incentive targets. It is planned to repurchase and cancel all restricted shares granted but not yet released of restricted sales. The repurchase price of restricted shares for the resigned persons is RMB 13.46/share, and that of the retired persons will be the sum of price of RMB 13.46/share and the bank deposit interest in the same period.

In summary, the total number of share options to be cancelled this time is 12,436,200, among which the numbers of share options to be cancelled in the four exercise periods are 11,130,000, 435,400, 435,400 and 435,400 respectively. After the cancellation this time, the incentive targets of the share options in the Company's Incentive Plan will be adjusted from 430 to 410, and the number of the share options

granted but not yet exercised will be adjusted from 44,520,000 to 32,083,800 correspondingly.

The total number of the restricted shares to be repurchased and cancelled this time is 4,980,725, among which the numbers of the restricted shares to be repurchased and cancelled in the four releasing periods of restricted sales are 4,583,525, 132,400, 132,400 and 132,400 respectively. After the repurchase and cancellation this time, the incentive persons of the restricted shares in the Company's Incentive Plan will be adjusted from 417 to 403, and the number of the restricted shares granted but not yet released of restricted sales will be adjusted from 18,334,100 to 13,353,375 correspondingly. The Company plans to pay a total of RMB 67,040,558.50 for the repurchase of the restricted shares (plus the bank deposit interest payable for the same period as required), and the source of funds is the Company's own funds.

4. Table of Expected Changes in the Company's Equity Structure Before and After this Repurchase and Cancellation of Restricted Shares

| Category | Before Changes (Shares) | Changing Number of Shares | After Changes (Shares) |
|---|---|---|---|
| Outstanding shares with limited conditions of sale | 506,736,866 | -4,980,725 | 501,756,141 |
| Outstanding shares with unlimited conditions of sale | 1,757,236,492 | - | 1,757,236,492 |
| Total | 2,263,973,358 | -4,980,725 | 2,258,992,633 |

Note: The final changes in the share capital structure shall be subject to the share capital structure table issued by China Securities Depository and Clearing Co., Ltd. Shanghai Branch after the completion of the repurchase and cancellation of restricted shares

5. The Impact of this Adjustment and Cancellation on the Company

The adjustment of relevant equity prices, cancellation of certain share options and repurchase and cancellation of certain restricted shares comply with the Enterprise

promoting the long-term sustainable development of the Company.

6. Subsequent Work Arrangements for this Adjustment and Cancellation

The Board of Directors of the Company will, in accordance with the relevant provisions of Shanghai Stock Exchange and China Securities Depository and Clearing Co., Ltd., arrange personnel to handle the relevant procedures for adjusting the relevant equity price, cancelling certain share options and repurchasing and cancelling certain restricted shares.

7. Opinions of Independent Directors

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avoided voting and the independent directors had expressed their independent opinions; According to the authorization of the Company's First Extraordinary General Meeting in 2022, the relevant equity prices will be adjusted this time The approval process and content of share options cancellation and restricted shares repurchase cancellation are in line with the relevant provisions of the 2022 Incentive Plan for Share Options and Restricted Shares of Ningbo Shanshan Co., Ltd. in 2022 (Revised Draft) and the Administrative Measures for Implementation Assessment of 2022 Incentive Plan for Share Options and Restricted Shares of Ningbo Shanshan Co., Ltd. (Revised Draft) and there is no situation that harms the interests of the Company and shareholders We agree to the equity price adjustment, share options cancellation and restricted shares repurchase cancellation.

9. Concluding Opinions of Legal Opinions

Beijing Tianyuan Law Firm has issued a legal opinion on the adjustment of relevant equity prices, cancellation of certain share options and repurchase and cancellation of restricted shares in the 2022 incentive plan of share options and restricted shares of the Company, and its concluding opinions are as follows As of the date of issuance of the legal opinions, the