

Ad hoc announcement pursuant to Art. 53 LR

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

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

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

(I) The convening of the Thirty-fourth Meeting of the Tenth Session of the Board of Directors (the “Board”) of Ningbo Shanshan Co., Ltd. (the “Company” or “Shanshan”) was in compliance with the Company Law of the People's Republic of China, the Articles of Association of Ningbo Shanshan Co., Ltd. (the “Articles of Association”) and the relevant laws and regulations.

(II) Notice of this meeting of the Board was given in writing on 12 October 2022.

(III) This meeting of the Board was hold on 17 October 2022 by way of communication voting.

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

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

The following proposals were considered and approved at the meeting:

#### **(I) Proposal on the Fulfilment of the Conditions for the Private Placement of Shares by the Company**

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

In accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for the Issuance of Securities by Listed Companies (《上市公司证券发行管理办法》), Detailed Rules for the Implementation of Private Placement of Shares by Listed Companies (《上市公司非公开发行股票实施细则》), the Supervision Q&A on Issuance — Regulatory Requirements relating to Guidance on Standardizing

Financing Activities of Listed Companies (《发行监管问答——关于引导规范上市公司融资行为的监管要求》) and other relevant laws, regulations and normative documents, the Board conducted a self-examination of the actual situation of the Company item by item and concluded that the Company is in compliance with the provisions of the existing laws and regulations on the private placement of shares and has the conditions for the private placement of shares, and agreed to the application of the Company for the private placement of shares.

Independent directors have expressed independent consent.

This proposal is subject to the general meeting for consideration.

## **(II) Proposal on the Scheme for Private Placement of Shares of the Company**

1. Type and nominal value of shares of the private placement

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

The shares to be issued in the private placement are domestic listed RMB ordinary shares (A shares) with a nominal value of RMB1.00 each.

2. Issuance method and issuance time

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

The issuance of all of the shares will be carried out by way of private placement to specific target subscribers, and the Company will choose an appropriate opportunity to issue shares to specific target subscribers within the validity period after this issuance is approved by the CSRC.

3. Target subscribers and subscription method

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

Target subscribers of the Private Placement are no more than 35 (including 35) specific investors, including the qualified securities investment fund management companies, securities companies, trust companies, finance companies, asset management companies, insurance institutional investors, and qualified foreign institutional investors who meet the conditions specified by the CSRC and other legal persons, natural persons or institutional investors who meet the conditions specified in the relevant laws and regulations. Where a securities investment fund management

company, a securities company, a qualified foreign institutional investor or a Renminbi qualified foreign institutional investor subscribes for the shares in the name of two or more products under its management, it shall be treated as one target subscriber. Where the target subscriber is a trust company, it must subscribe with its own capital.

All the target subscribers shall subscribe for the shares to be issued during the Private Placement in cash. The final target subscribers will be determined by the Board of Directors of the Company within the authority granted by the general meeting in consultation with the Sponsor (lead underwriter) for the Private Placement based on the inquiry result and in accordance with the relevant laws, administrative regulations and normative documents after the Company obtains the approval of the CSRC.

#### 4. Issuance price and pricing principle

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

The price benchmarking date of the private placement shall be the first day of the offering period of the private placement. The offering price shall not be lower than 80% of the average trading price of the Shares of the Company for the 20 trading days prior to the price benchmarking date (average trading price of the Shares for the 20 trading days prior to the Price Benchmarking Date = Total trading amount of the Shares of the Company in the 20 trading days prior to the price benchmarking date/total trading volume of the Shares of the Company in the 20 trading days prior to the Price Benchmarking Date).

The floor offering price of the private placement shall be adjusted accordingly in cases of ex-rights and ex-dividends matters such as distribution, bonus issuance, repurchase and conversion of capital reserve into share capital during the period from the price benchmarking date of the private placement to the offering date.

On the basis of the above floor offering price, the final offering price will be determined by the Board of Directors of the Company within the authority granted by the general meeting in consultation with the Sponsor (lead underwriter) for the private placement based on the subscription quotation of the target subscribers and in

accordance with the price priority principle and the relevant laws, regulations and normative documents after the Company obtains the approval of the CSRC.

5. Number of shares to be issued

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

The number of shares offered through private placement is calculated by dividing the total amount of funds raised through the private placement by the offering price. In addition, according to the Q&A on Issuance Supervision - Supervision Requirements on Directing and Regulating the Financing Acts of Listed Companies (Revision) released by the CSRC, the number of shares offered through private placement shall not exceed 30% of the total share capital of the Company prior to the private placement, that is, no more than 671,539,661 shares (including 671,539,661 shares, subject to the number approved by the CSRC).

The upper limit of the number of shares to be issued in the private placement shall be adjusted accordingly in cases of capital change matters such as bonus issuance, repurchase and conversion of capital reserve into share capital during the period from the date of announcement of the board resolution in connection with the private placement to the offering date. Within the above range, the final offering quantity shall be determined by the board of directors under the authority of the general meeting and in consultation with the sponsor (lead underwriter) of the private placement according to the actual situation of the issuance.

6. Lock-up period

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

The shares issued through the private placement shall not be transferred within six months from the ending date of the private placement. The target subscribers who reduce their shareholding by transferring the shares they subscribe in the private placement upon expiration of the lock-up period are required to comply with the relevant requirements of the CSRC and Shanghai Stock Exchange.

During the lock-up period, the shares obtained by the target subscribers under private placement due to the bonus issuance and the conversion of capital reserve to share capital shall also be subject to the above lock-up arrangement.

7. Disposal of Accumulated Undistributed Profits before the Private Placement of Shares

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

In order to take into account the interests of the new and old shareholders, the accumulated undistributed profits of the Company before the private placement shall be shared by the new and old shareholders according to their shareholding proportion after the completion of the private placement.

8. Place of listing

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

Shares to be issued during the private placement will be listed and traded on the Shanghai Stock Exchange.

9. Validity of resolution

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

The resolution in relation to the private placement shall remain valid for twelve months from the date on which relevant resolutions are considered and approved at the general meeting.

10. Use of proceeds

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

The total proceeds from the private placement, which is no more than RMB 6,000 million (inclusive), shall be used for the investments in the following projects after deducting the relevant issuance expenses:

Unit: RMB0'000

No.	Project name	Total project investment	Amount of proceeds invested	Implementation entity
1	The lithium-ion battery anode material integration base project with the annual output of 300,000 tons of Yunnan Shanshan New Material Co., Ltd. (云南杉杉新材料有限公司) (Phase 1)	792,710.64	420,000.00	Yunnan Shanshan New Material Co., Ltd.
2	Supplement to working capital	180,000.00	180,000.00	Shanshan

Total	972,710.64	600,000.00	-
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If the actual amount of proceeds from the Private Placement after deducting the issuance expenses is less than the proposed amount of proceeds to be applied in the above projects, the Company will adjust the order of priority and specific investment amounts of each project based on the actual amount of net proceeds and the priority of each project, and any shortfall in the proceeds will be made up by utilizing the self-raised capital of the Company..

Prior to the receipt of the proceeds from the Private Placement, the Company may contribute self-raised capital in accordance with the actual progress of the projects, which will be replaced with the proceeds upon its delivery.

Independent directors have expressed independent consent.

This proposal is subject to the general meeting for consideration.

**(III) Proposal on the Plan for 2022 Private Placement of Shares by Ningbo Shanshan Co., Ltd.;**

[\(For details, please refer to the announcement disclosed on the Company website\)](#)

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

In accordance with the relevant provisions of laws, regulations and normative documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for the Issuance of Securities by Listed Companies (《上市公司证券发行管理办法》), No. 25 Guideline on the Contents and Formats of Information Disclosure of Public Issuance by the Companies – Advanced Proposal and Issuance Reports on the Private Placement of Shares by Listed Companies (《公开发行证券的公司信息披露内容与格式准则第 25 号——上市公司非公开发行股票预案和发行情况报告书》), the Company has prepared the Plan for Private Placement of Shares by Ningbo Shanshan Co., Ltd. in 2022 (《宁波杉杉股份有限公司 2022 年度非公开发行股票预案》).

Independent directors have expressed independent consent.

This proposal is subject to the general meeting for consideration.

**(IV) Proposal on the Feasibility Analysis Report on the Use of Proceeds**

**from Private Placement of Shares by Ningbo Shanshan Co., Ltd. in 2022;**

[\(For details, please refer to the announcement disclosed on the Company website\)](#)

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

The directors present at the meeting are of the view that the plan for the use of the proceeds from the private placement of shares is in line with the relevant policies, laws and regulations, as well as the overall strategic development plan of the Company in the future, which is conducive to meeting the capital requirements for the business development of the Company, improving the financial position of the Company, enhancing the core competitiveness of the Company, and promoting the sustainable development of the Company, which is in line with the interests of the Company and all shareholders.

Independent directors have expressed independent consent.

This proposal is subject to the general meeting for consideration.

**(V) Proposal on the Dilution of Immediate Return Resulting from the Private Placement of Shares by the Company and the Remedial Measures and Undertakings by Relevant Entities;**

[\(For details, please refer to the announcement disclosed on the Company website\)](#)

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

In order to protect the interests of medium and small investors, the Company has carefully analyzed the impact of the private placement on the dilution of immediate return, formulated solutions for the dilution of immediate return resulting from the private placement of shares and the remedial measures, and issued undertakings by the relevant entities on the effective implementation of the measures to fill the return in accordance with the relevant requirements of the Several Opinions of the State Council on Further Promoting the Healthy Development of the Capital Market issued by the State Council (《国务院关于进一步促进资本市场健康发展的若干意见》), the Opinion of General Office of the State Council on Further Enhancing Protection

of Rights and Interests of Medium and Small Investors in Capital Market (《国务院办公厅关于进一步加强资本市场中小投资者合法权益保护工作的意见》) and Instructions on Issues Related to Immediate Return Dilution Arising from IPO, Refinancing and Major Asset Restructuring (《关于首发及再融资、重大资产重组摊薄即期回报有关事项的指导意见》) of CSRC.

Independent directors have expressed independent consent.

This proposal is subject to the general meeting for consideration.

**(VI) Proposal on the Report on the Use of Proceeds from Previous Offering;**

[\(For details, please refer to the announcement disclosed on the Company website\)](#)

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

The Company has prepared the Report on the Use of Proceeds from Previous Offering (《前次募集资金使用情况报告》) in accordance with the Regulations on the Report on the Use of Proceeds from Previous Offering (《关于前次募集资金使用情况报告的规定》) and other relevant regulations.

Independent directors have expressed independent consent.

This proposal is subject to the general meeting for consideration.

**(VII) Proposal on Return Plan for Shareholders for the Coming Three Years (2022 to 2024);**

[\(For details, please refer to the announcement disclosed on the Company website\)](#)

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

The Company prepared the Return Plan for Shareholders for the Next Three Years (2022-2024) of Ningbo Shanshan Co., Ltd. (《宁波杉杉股份有限公司未来三年(2022-2024年)股东回报规划》) on the basis of full consideration of the actual situation and future development needs of the Company, and in accordance with the Notice of the China Securities Regulatory Commission on Further Implementation of Matters Relating to Cash Dividends for Listed Companies (《关于进一步落实上市公司现金分红有关事项的通知》) and the relevant provisions of the No. 3 Guidelines



for Supervision of Listed Companies -- Cash Dividends for Listed Companies (《上市公司监管指引第3号——上市公司现金分红》).

Independent directors have expressed independent consent.

This proposal is subject to the general meeting for consideration.

**(VIII) Proposal on the General Meeting Authorizing the Board to Fully Handle the Affairs Related to the Private Placement of Shares;**

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

In order to ensure the successful completion of the Company's private placement of shares, in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for the Issuance of Securities by Listed Companies (《上市公司证券发行管理办法》) and other laws and regulations and the relevant provisions of the Articles of Association of the Company, the Board of the Company requests the general meeting to authorize the Board to fully handle the matters relating to the private placement of shares within the scope of the resolution, including but not limited to:

1. to determine and implement the specific plan for the private placement of shares in consultation with the sponsor (lead underwriter) according to the specific circumstances, including but not limited to determining and adjusting all matters related to the private placement, such as the number of shares to be issued, the issuance price, the timing of the issuance, the issuance method, the issuance start and end dates, the specific subscription method, the size of the funds to be raised, the selection of the target subscribers, the subscription ratio, and the signing of relevant agreements or supplementary agreements with the target subscribers;

2. to make supplements, amendments and adjustments to the specific scheme of this private placement (including but not limited to determining the pricing benchmark date, issuance number range, target subscribers, issuance price and adjusting the maximum total amount of proceeds) and the application documents and supporting documents of this private placement in accordance with the changes in regulations and policies related to this private placement scheme, the review opinions of the relevant regulatory authorities on this private placement application and

changes in the securities market, implementation, market conditions and ex-rights and ex-dividend matters, except for those matters that are required to be re-voted by the general meeting as stipulated in the relevant laws and regulations and the Articles of Association of the Company;

3. to revise the scheme to comply with the relevant laws, regulations, regulatory documents or the requirements of the relevant regulatory authorities (except for matters subject to re-voting by the general meeting as stipulated in the relevant laws and regulations and the Articles of Association), and make corresponding adjustments to the specific issuance scheme in accordance with the specific requirements of the regulatory authorities.

4. to determine and engage the intermediaries involved in the private placement, to sign all agreements and documents related to the issuance and the equity subscription, including but not limited to the underwriting agreement, the sponsorship agreement, the engagement agreement of other intermediaries and other related agreements, and to handle other matters related thereto;

5. to determine the special account for the proceeds, sign the tripartite supervision agreement for the storage of the proceeds and other matters related to the use of the proceeds and handle the capital verification procedures related to the issuance.

6. to sign major contracts in the operation course of the investment projects funded by the proceeds raised from the private placement of shares;

7. to handle the reporting and listing of the private placement of shares, including making, amending, supplementing, signing, submitting, filing and executing all agreements and application documents relating to the reporting and listing of the issuance and handling the related reporting and listing matters;

8. to handle the subscription, registration, lock-up and listing of shares in the Shanghai Stock Exchange and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited after the completion of the issuance of shares;

9. after the completion of the issuance, to increase the registered capital of the Company, amend the corresponding articles of the Articles of Association and handle

the registration of industrial and commercial changes and other related matters according to the results of this private placement of shares;

10. in the event of force majeure or other circumstances sufficient to make the private placement difficult to implement, or which may be implemented but will bring adverse consequences to the Company, or in the event of changes in the private placement policy, to determine the postponement, suspension or termination of the private placement scheme at its discretion, or to continue to handle the private placement in accordance with the new private placement policy;

11. to handle other matters related to the private placement.

The authorization shall remain valid for 12 months from the date of approval by the general meeting.

Subject to the condition that the general meeting of the Company authorizes the Board to fully handle the issuance, the Board authorizes the chairman of the Board and his/her authorized persons to be solely responsible for the above authorization, and the Board authorizes the chairman of the Board and his/her authorized persons for the same period as the general meeting authorizes the Board.

This proposal is subject to the general meeting for consideration.

**(IX) Proposal on the Cancellation of Partial Share Options under the Company's 2019 Share Option Incentive Plan**

(6 voted in favor, 0 voted against, 0 abstained, 5 avoided)

In accordance with the relevant provisions of the Administrative Measures for Share Incentives of Listed Companies (《上市公司股权激励管理办法》), the 2019 Share Option Incentive Plan of Ningbo Shanshan Co., Ltd. (2021 Revision) (《宁波杉杉股份有限公司2019年股票期权激励计划》(2021年修订稿)) and the authorization of the 2019 first extraordinary general meeting of the Company, the Board of the Company agreed to cancel 1,779,730 share options granted but not yet exercised (all of them are in the third exercise period) by 7 Participants who no longer qualified as Participants due to their departure. After this cancellation, the number of Participants of the 2019 Share Option Incentive Plan of the Company was adjusted from 117 to 110, and the number of share options granted but not yet exercised was adjusted from

27,287,550 to 25,507,820.

Mr. Zhuang Wei, Mr. Li Zhihua, Mr. Yang Feng, Ms. Li Fengfeng and Mr. Peng Wenjie, the interested directors, abstained from voting and the other uninterested directors unanimously voted in favor.

Independent directors have expressed independent consent.

**(X) Proposal on the Fulfilment of the Exercise Conditions for the Third Exercise Period of the First Grant of Share Options under the 2019 Share Option Incentive Plan of the Company**

(6 voted in favor, 0 voted against, 0 abstained, 5 avoided)

In accordance with the relevant provisions in the 2019 Share Option Incentive Plan of Ningbo Shanshan Co., Ltd. (2021 Revision) and the Implementation Assessment Management Measures of 2019 Share Option Incentive Plan of Ningbo Shanshan Co., Ltd. (2021 Revision), the exercise conditions for the third exercise period of the first grant of share options under the 2019 Share Option Incentive Plan (the “Incentive Plan”) have been fulfilled. Details are as follows:

<b>Exercise conditions</b>	<b>Description of whether the exercise conditions are fulfilled</b>
There is no occurrence of any of the following circumstances in respect of the Company: 1. issuance of the auditors’ report with an adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial accounting report of the Company for its most recent accounting year; 2. issuance of the auditors’ report with an adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year; 3. failure to conduct profit distribution in accordance with laws and regulations, the articles of association and public undertakings within the last 36 months after listing; 4. prohibition from implementation of share incentives by laws and regulations; 5. such other circumstances as determined by the CSRC.	The exercise conditions are fulfilled if there is no occurrence of any of the aforesaid circumstances in respect of the Company

<p>There is no occurrence of any of the following circumstances in respect of a Participant:</p> <ol style="list-style-type: none"> <li>1. he or she has been determined by stock exchange as an ineligible person in the last 12 months;</li> <li>2. he or she has been determined by the CSRC or its delegated agencies as an ineligible person in the last 12 months.</li> <li>3. he or she has been imposed by the CSRC or any of its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material violation of laws and regulations;</li> <li>4. he or she is prohibited from acting as a director or a member of the senior management of a company as required by the Company Law;</li> <li>5. he or she is prohibited from participating in share incentives of listed companies as required by laws and regulations;</li> <li>6. such other circumstances as determined by the CSRC.</li> </ol>	<p>The exercise conditions are fulfilled if there is no occurrence of any of the aforesaid circumstances in respect of the Participants</p>				
<p>Reaching the Company's performance assessment targets:</p> <table border="1" data-bbox="162 1019 801 2027"> <thead> <tr> <th data-bbox="162 1019 338 1108">Exercise period</th> <th data-bbox="338 1019 801 1108">Company performance assessment goals</th> </tr> </thead> <tbody> <tr> <td data-bbox="162 1108 338 2027"> <p>Third exercise period of the first grant of share options</p> </td> <td data-bbox="338 1108 801 2027"> <ol style="list-style-type: none"> <li>1. The compound growth rate of the Company's operating revenue in 2021 shall be not less than 10%, based on the average operating revenue of the Company in 2016-2018;</li> <li>2. The compound growth rate of the consolidated operating revenue of the lithium battery business in 2021 shall be not less than 20%, based on the average consolidated operating revenue of the lithium battery business in 2016-2018.</li> </ol> <p>In the event that matters affecting the scope of consolidation of the Company's operating revenue, such as asset/equity acquisition or asset/equity transfer, occur in the assessment year and such matters have a significant impact on the Company's core business, the assessment target for that year and subsequent years shall be calculated by deducting the</p> </td> </tr> </tbody> </table>	Exercise period	Company performance assessment goals	<p>Third exercise period of the first grant of share options</p>	<ol style="list-style-type: none"> <li>1. The compound growth rate of the Company's operating revenue in 2021 shall be not less than 10%, based on the average operating revenue of the Company in 2016-2018;</li> <li>2. The compound growth rate of the consolidated operating revenue of the lithium battery business in 2021 shall be not less than 20%, based on the average consolidated operating revenue of the lithium battery business in 2016-2018.</li> </ol> <p>In the event that matters affecting the scope of consolidation of the Company's operating revenue, such as asset/equity acquisition or asset/equity transfer, occur in the assessment year and such matters have a significant impact on the Company's core business, the assessment target for that year and subsequent years shall be calculated by deducting the</p>	<p>According to the data of each relevant audit report issued by BDO China SHU LUN PAN Certified Public Accountants LLP:</p> <ol style="list-style-type: none"> <li>1. The Company's operating revenue in 2021 was RMB13,180.7465 million, representing a compound growth rate of 20.50% over the Company's average operating revenue in 2016-2018;</li> <li>2. The consolidated operating revenue of the lithium battery business in 2021 was RMB11,821.6323 million, representing a compound growth rate of 27.18% over the average consolidated operating revenue of the lithium battery business in 2016-2018.</li> </ol> <p>According to the relevant provisions of this Incentive Plan, the Company has eliminated the impact of non-operating factors at the financial accounting level caused by the acquisition of polarizer business and partial equity transfer of cathode material business company during the evaluation period when calculating the 2021 annual performance appraisal target. The operating revenue of the polarizer business newly added in 2021 (i.e. February-December 2021) was deducted, and the operating revenue of cathode material business (i.e. September-December 2021) was included in the</p>
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	operating revenue consolidated as a result of such matters and adding back the operating revenue reduced as a result of such matters.	accounting scope.																								
Participants' individual performance assessment targets: The actual individual exercisable amount for the year = exercisable percentage × the scheduled individual exercisable amount for the year.		7 of the existing 117 Participants are no longer qualified as Participants for their departure, and the assessment results of the remaining Participants are summarized as follows:																								
	<table border="1"> <thead> <tr> <th>Score (S)</th> <th>Rating</th> <th>Exercisable percentage</th> </tr> </thead> <tbody> <tr> <td><math>S \geq 80</math></td> <td>A</td> <td>100%</td> </tr> <tr> <td><math>70 \leq S &lt; 80</math></td> <td>B</td> <td>80%</td> </tr> <tr> <td><math>S &lt; 70</math></td> <td>C</td> <td>Prohibited</td> </tr> </tbody> </table>	Score (S)	Rating	Exercisable percentage	$S \geq 80$	A	100%	$70 \leq S < 80$	B	80%	$S < 70$	C	Prohibited	<table border="1"> <thead> <tr> <th>Rating</th> <th>Number of Participants</th> <th>Exercisable percentage</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>110</td> <td>100%</td> </tr> <tr> <td>B</td> <td>0</td> <td>80%</td> </tr> <tr> <td>C</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Rating	Number of Participants	Exercisable percentage	A	110	100%	B	0	80%	C	0	0
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The Board agreed to handle the exercise matters related to the third exercise period of the first grant of share options for the Participants meeting the exercise conditions, as detailed below:

1. Grant date: September 2, 2019
2. Number of exercisable options: 25,507,820 options
3. Number of Participants for exercise: 110
4. Exercise price: RMB7.28/share
5. Exercise method: Exercise by batch
6. Share source: Issuing A-share ordinary shares of the Company to the Participants through private placement
7. Exercise arrangement: The third exercise period of the share options granted for the first time is from 2 September 2022 to 1 September 2023. The Board has authorized the management to apply for the exercise of share options and handle the relevant exercise registration procedures for the Participants meeting the exercise conditions on the exercise date stipulated in the Incentive Plan and determine the exercise date as the date on which CSDC Shanghai Branch completes the new share registration procedures. The industrial and commercial change registration and other relevant procedures will be handled upon the completion of the exercise.

Upon the expiry of the current exercise period, the incentive target's unexercised share options for the current period shall be terminated and canceled by the Company.

8. The list of Participants and the proposed exercise are as follows:

Name	Title	Number of exercisable options	Proportion in the total amount of the first grant of the incentive plan (%)	Proportion in the total share capital when granted (%)
Zhuang Wei	Vice chairman	2,465,000	2.86	0.15
Li Zhihua	Director and general manager	2,465,000	2.86	0.15
Yang Feng	Director	1,479,000	1.72	0.09
Li Fengfeng	Director	1,479,000	1.72	0.09
Peng Wenjie	Director	1,577,600	1.83	0.10
Chen Ying	Board secretary	1,133,900	1.32	0.07
Middle management personnel, key management personnel and core technology (business) personnel of subsidiaries (104 persons)		14,908,320	17.31	0.92
Total		25,507,820	29.62	1.57

Note: The total amount of the first grant shall be the adjusted total amount of the first grant due to equity distribution, which was 86,130,000 options; the total share capital at the grant time shall be the adjusted total share capital of the Company due to equity distribution, which was 1,628,009,229 shares.

The interested directors, Mr. Zhuang Wei, Mr. Li Zhihua, Mr. Yang Feng, Ms. Li Fengfeng and Mr. Peng Wenjie, abstained from voting, while other uninterested directors unanimously agreed.

Independent directors have expressed independent consent.

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

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

The Board of the Company intends to hold the Fourth Extraordinary General Meeting for 2022 on 7 November 2022. For details, please refer to the [Notice of Convening the 2022 Fourth Extraordinary General Meeting of Ningbo Shanshan Co., Ltd.](#) disclosed by the Company on the same day.

This announcement is hereby made.

Board of Directors of Ningbo Shanshan Co., Ltd.

17 October 2022