

Ad hoc announcement pursuant to Art. 53 LR

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

### **Announcement on the Resolution of the Nineteenth Meeting of the Eleventh Session of Board of Directors**

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

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

(II) Notice of this meeting of the BOD was given in writing on 14 April 2025.

(III) This meeting of the BOD was held by way of on-site meeting combined with communication on 24 April 2025 in the meeting room, Building 5, No. 39 Yaoyuan Road (Building A, Junkang Financial Plaza), Pudong New District, Shanghai.

(IV) This meeting of the BOD was chaired by the Chairman of the Company; 11 directors should attend the meeting and 11 directors actually attended the meeting. There was no absent director.

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

The meeting deliberated and approved the following proposals:

##### **(I) Proposal on *the 2024 Annual Working Report of the Board of Directors***

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

The proposal still needs to be submitted to the shareholders' general meeting for deliberation.

##### **(II) Proposal on *the 2024 Annual Working Report of the General Manager***

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

**(III) Proposal on the Report on the Accrued Provision for Asset Impairment for the Year 2024**

(Please refer to the website of the Shanghai Stock Exchange for details)

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

**(IV) Proposal on the 2024 Annual Financial Report**

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

Please refer to the Materials of the 2024 Annual Shareholders' General Meeting that the Company plans to release on the website of the Shanghai Stock Exchange recently.

The proposal still needs to be submitted to the shareholders' general meeting for deliberation.

**(V) Proposal on the 2024 Annual Profit Distribution Plan**

(Please refer to the website of the Shanghai Stock Exchange for details)

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

According to the audit report by Pan-China Certified Public Accountants LLP, the net profit attributable to the shareholders of the listed Company in the consolidated financial statements for the year 2024 is RMB-367,136,028.73, and the net profit realized in the financial statements of the parent company is RMB-305,639,501.63.

Considering the overall loss in performance of the Company in 2024, according to the relevant provisions of the *Articles of Association*, the Company does not have the prerequisite for cash dividends. Considering the current production and operation situation of the Company and future business development needs, in order to maintain the long-term interests of the Company and its shareholders, it is proposed not to distribute cash dividends, bonus shares, or convert capital reserves into share capital in 2024.

**1. Explanation of the situation of no profit distribution in 2024**

According to relevant regulations and normative documents such as the *Guidelines for the Supervision of Listed Companies No. 3- Cash Dividends of Listed Companies* and the *SSE Regulatory Guidelines for Self-discipline Supervision of*

*Listed Companies No. 1 –Standard Operation*, as well as the *Articles of Association*, the profit distribution of the Company should follow the principle of valuing reasonable investment returns for investors, while taking into account the long-term interests of the Company, the overall interests of all shareholders, and the sustainable development of the Company. Considering that the net profit attributable to shareholders of the listed Company and the net profit realized in the parent company's financial statements for the year 2024 are both negative and unprofitable, and taking into account the current situation of the Company's main business industry, future development strategy, business plan, and cash flow, as well as the macroeconomic situation and financing environment, in order to ensure the sustainable development of the Company and better safeguard the long-term interests of the Company and all shareholders, the Company plans not to distribute cash dividends, bonus shares, or convert capital reserves into share capital for the year 2024.

## 2. Measures proposed by the Company to enhance investor returns

In the future, the Company will continue to focus on the dual main businesses of lithium battery anode materials and polarizer business, adhere to customer centricity, and adopt a dual wheel drive strategy of deepening technological innovation and leading with low cost. By strengthening research and development investment, improving intelligent manufacturing level and optimizing operational efficiency, to improve business performance and quality industriously. At the same time, in accordance with the Company's profit distribution policy, combined with the actual situation of the Company, from the perspective of benefiting the Company's development and investor returns, taking into account the continuity and relative stability of the dividend policy, actively returning to investors in the form of cash dividends, sharing the Company's development achievements with the majority of investors, and enhancing the level of investor returns.

The proposal still needs to be submitted to the shareholders' general meeting for deliberation.

## **(VI) Proposal on the Full Text and Abstract of the 2024 Annual Report**

(Please refer to the website of the Shanghai Stock Exchange for details)

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

This report has been unanimously reviewed and approved by all members of the audit committee of the Company's Board of Directors, and has been agreed to be submitted for review by the Company's Board of Directors.

The proposal still needs to be submitted to the shareholders' general meeting for deliberation.

**(VII) Report on the Performance of the Audit Committee of the BOD of Ningbo Shanshan Co., Ltd. for the Year 2024**

(Please refer to the website of the Shanghai Stock Exchange for details)

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

This report has been unanimously reviewed and approved by all members of the audit committee of the Company's Board of Directors, and has been agreed to be submitted for review by the Company's Board of Directors.

**(VIII) Report of the Audit Committee of the BOD of Ningbo Shanshan Co., Ltd. on the Performance of Its Supervisory Duties to the Accounting Firm**

(Please refer to the website of the Shanghai Stock Exchange for details)

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

This report has been unanimously reviewed and approved by all members of the audit committee of the Company's Board of Directors, and has been agreed to be submitted for review by the Company's Board of Directors.

**(IX) Report of Ningbo Shanshan Co., Ltd. on the Evaluation of the Performance of Accounting Firms for the Year 2024 by the Audit Committee of the BOD**

(Please refer to the website of the Shanghai Stock Exchange for details)

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

This report has been unanimously reviewed and approved by all members of the audit committee of the Company's Board of Directors, and has been agreed to be submitted for review by the Company's Board of Directors.

**(X) Proposal on Re-engagement of Pan-China Certified Public Accountants LLP as the Company's Accounting and Audit Agency and Internal**

## **Control Audit Agency for the Year 2025**

(Please refer to the website of the Shanghai Stock Exchange for details)

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

The audit fee will be mainly based on various factors such as the Company's business scale, the complexity of accounting processing, and a comprehensive consideration of the number of auditors required for the annual report audit and the amount of work invested. To request the Company's shareholders' meeting to authorize the management to determine the accounting and internal control audit fees for the year 2025 based on the specific audit work carried out by Pan-China in 2025 and the market price level.

This re-engagement of audit agency has been unanimously reviewed and approved by all members of the audit committee of the Company's Board of Directors, and has been agreed to be submitted for review by the Company's Board of Directors.

The proposal still needs to be submitted to the shareholders' general meeting for deliberation.

## **(XI) Proposal on the Application for the 2025 Annual Comprehensive Credit Line at the Company Level**

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

Due to the needs of the Company's business development, the Company plans to apply to relevant financial institutions for a comprehensive credit line not exceeding RMB 12 billion in 2025 (the final credit line approved by the relevant financial institutions shall prevail) to supplement working capital. The specific financing method, financing period, implementation time, etc. shall be executed according to the final negotiated content and method with relevant financial institutions. The comprehensive credit line proposed above does not equal the actual financing amount of the Company. The actual financing amount will be within the credit line, based on the actual financing amount which negotiate between the Company and relevant financial institutions. During the credit line period, the credit line can be used repeatedly.

In order to improve work efficiency, the Company's shareholders' meeting is

requested to authorize the chairman or chairman's authorized agent to handle the approval matters related to the loan application under the comprehensive credit line and credit scale within the Company's business needs (including but not limited to application forms, contracts, agreements and other documents related to credit, loans, mortgages or guarantees), and authorize the chairman to sign relevant contracts and documents. The deadline is from the date of approval by the 2024 annual shareholders' meeting to the date when the 2025 annual shareholders' general meeting is held.

The proposal still needs to be submitted to the shareholders' general meeting for deliberation.

**(XII) Proposal on the Annual Guarantee Amount Provided by the Company for the Year 2025**

(Please refer to the website of the Shanghai Stock Exchange for details)

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

In order to meet the needs for business development, while ensuring standardized operation and controllable risks, the Company and its subsidiaries plan to provide the following guarantees (in RMB or equivalent foreign currency) in 2025 in accordance with relevant provisions of *Guidelines for the Supervision of Listed Companies No. 8 - Regulatory Requirements for Capital Transactions and External Guarantees of Listed Companies* (CSRC Announcement [2022] No. 26), the *Articles of Association*, and the *Management Measures for External Guarantees of Ningbo Shanshan Co., Ltd.* etc.:

Guarantors	Guaranteed Parties	Amount of the Guarantee
Ningbo Shanshan Co., Ltd.	Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. and its subsidiaries	Not exceeding RMB20 billion
	Shanjin Photoelectric (Suzhou) Co., Ltd. and its subsidiaries	Not exceeding RMB2.5 billion
The controlled subsidiary of the Company, Shanghai Shanshan Lithium	Ningbo Shanshan Co., Ltd.	Not exceeding RMB1 billion

Battery Material Technology Co., Ltd. and its subsidiaries		
The controlled subsidiary of the Company, Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. and its subsidiaries	The controlled subsidiary of the Company, Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. and its subsidiaries	Not exceeding RMB5 billion
Subtotal		Not exceeding RMB28.5 billion

The total of guarantees mentioned above is RMB28.5 billion. The Chairman or Chairman's authorized agent is authorized to sign specific guarantee documents within the limit. The term of guarantee will be from the date of approval of the 2024 annual shareholders' general meeting to the date when the 2025 annual shareholders' general meeting is held.

The proposal still needs to be submitted to the shareholders' general meeting for deliberation.

**(XIII) 2024 Internal Control Evaluation Report of Ningbo Shanshan Co., Ltd.**

(Please refer to the website of the Shanghai Stock Exchange for details)

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

This report has been unanimously reviewed and approved by all members of the audit committee of the Company's Board of Directors, and has been agreed to be submitted for review by the Company's Board of Directors.

The proposal still needs to be submitted to the shareholders' general meeting for deliberation.

**(XIV) 2024 Environmental, Social and Company Governance (ESG) Report of Ningbo Shanshan Co., Ltd.**

(Please refer to the website of the Shanghai Stock Exchange for details)

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

The proposal still needs to be submitted to the shareholders' general meeting for

deliberation.

## **(XV) Proposal on Compensation Plan for Directors and Senior Management of the Company**

The Company plans to make a compensation plan for its directors and senior management personnel based on relevant national laws and regulations, the *Articles of Association* and relevant systems of the Company, combined with the Company's actual business situation and with reference to industry and regional compensation levels.

### **1. Scope of application**

Company's directors (excluding independent directors), general manager, vice general manager, financial officer, secretary of Board of Director, and other senior management personnel as stipulated in the Company's *Articles of Association*.

### **2. Basic principles**

(1) Compensation determination: The determination of compensation mainly considers the conditions required for directors and senior management to undertake a certain position, as well as the abilities demonstrated in their work. Under a unified framework, relying on scientific value evaluation, strive to objectively and fairly evaluate the roles and performance of each position.

(2) Compensation adjustment: To closely combine compensation with job qualification level and performance, and adjust compensation based on assessment results and changes in job qualification level.

### **3. Compensation Plan**

(1) Director: Based on their specific positions in the Company and its subsidiaries, combined with the actual business situation of the Company and taking into account factors such as industry and regional compensation levels, the compensation for their specific positions shall be determined in accordance with the Company's compensation and benefits management, performance management, and other systems. At the same time, a fixed director's allowance will be received based on the year of taking duties.

(2) Senior management personnel: Based on their specific positions in the

Company and its subsidiaries, combined with the actual business situation of the Company and taking into account factors such as industry and regional compensation levels, the compensation for their specific positions shall be determined in accordance with the Company's compensation and benefits management, performance management, and other systems.

#### 4. Other instructions

(1) Relevant personnel who concurrently serve as directors and senior management personnel in the Company shall not receive duplicate compensation.

(2) The compensation of directors and senior management personnel, including personal income tax payable, shall be uniformly withheld and paid by the Company.

This proposal has been unanimously reviewed and approved by the unrelated members of the Compensation and Assessment Committee of the Company's Board of Directors, and has been agreed to be submitted for review by the Company's Board of Directors.

The compensation plan for director in this proposal has been unanimously reviewed and approved by all non-related independent directors of the Company. 7 related directors avoided from voting, with 4 votes in favor, 0 votes against, 0 abstentions, and 7 avoids. The plan still needs to be submitted to the shareholders' meeting for review.

The compensation plan for senior management personnel in this proposal has been unanimously reviewed and approved by all non-related directors of the Company. The related directors, Mr. Li Zhihua, Ms. Li Fengfeng, Mr. Zhu Zhiyong, and Mr. Li Keqin, avoided from voting. The voting result was 7 votes in favor, 0 votes against, 0 abstentions, and 4 avoids.

#### **(XVI) Proposal on Cancellation of the Board of Supervisors and Revision on the Articles of Association and its Attachments of Ningbo Shanshan Co., Ltd.**

(Please refer to the website of the Shanghai Stock Exchange for details)

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

Since the Company Law (amended in 2023, hereinafter referred to as the "New Company Law") has come into effect on July 1, 2024, in accordance with the relevant

laws, regulations and normative documents of the China Securities Regulatory Commission, such as the *Transitional Arrangements for the Implementation of the Rules of the New Company Law Supporting System*, the *Guidelines on the Articles of Association of Listed Companies (Revised in 2025)* and *Rules for Shareholders' Meeting of Listed Companies (Revised in 2025)*, the Board of Supervisors shall be cancelled and the Audit Committee of the Board of Directors shall exercise the functions and powers of the Board of Supervisors stipulated in the New Company Law; At the same time, considering that the "*Essential Provisions of Articles of Association for Overseas Listed Companies*" have been abolished on March 31, 2023, in view of the actual situation that some restricted shares of the Company's 2022 share option and restricted share incentive plan have completed the repurchase and cancellation procedures, it is proposed to revise the relevant provisions of the *Articles of Association* and its attachments, *Rules of Procedure for the Shareholders' Meeting of Ningbo Shanshan Co., Ltd.*, and *Rules of Procedure for the Board of Directors of Ningbo Shanshan Co., Ltd.* The *Rules of Procedure of the Board of Supervisors of Ningbo Shanshan Co., Ltd.* shall be repealed accordingly.

The proposal still needs to be submitted to the shareholders' general meeting for deliberation.

#### **(XVII) Proposal on Formulating and Amending Company Related Systems**

(Please refer to the website of the Shanghai Stock Exchange for details)

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

In order to implement the requirements of the *New Company Law*, promote the optimization of the internal governance structure of the Company, and promote the standardized operation of the Company, partial supporting regulations for the Company are revised in accordance with relevant laws, regulations, and normative documents such as the "*Code of Corporate Governance for Listed Companies (Revised in 2025)*" and "*Management Measures for Independent Directors of Listed Companies (Revised in 2025)*". At the same time, in accordance with the relevant provisions of the "*Regulatory Guidelines for the Listed Companies – No.10 Market Value Management*", in order to further regulate the Company's market value

management behaviors, it is proposed to formulate the “*Market Value Management System of Ningbo Shanshan Co., Ltd*”. Specifically, as follows:

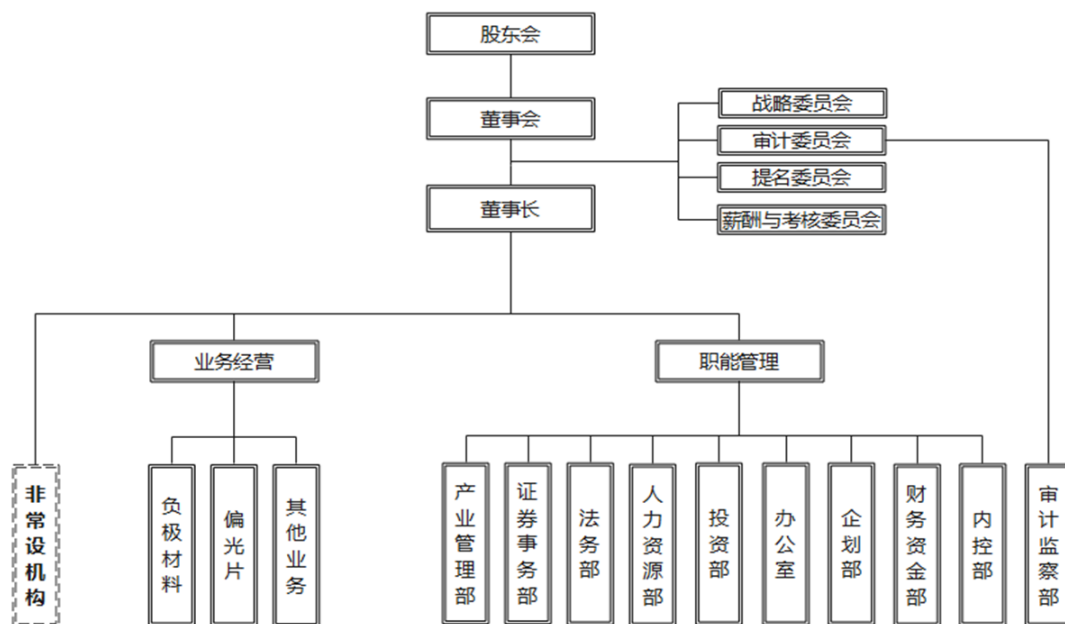
No.	Name of Regulations	Type	Description
1	Independent Director Regulations of Ningbo Shanshan Co., Ltd	Revision	Delete the expressions "supervisor" and "Board of Supervisors", and modify "Shareholders' General Meeting" to "Shareholders' Meeting"
2	Management Measures for Related Transactions of Ningbo Shanshan Co., Ltd	Revision	
3	Management Measures for External Guarantees of Ningbo Shanshan Co., Ltd	Revision	Delete the phrase 'Independent directors should express their opinions', and modify "Shareholders' General Meeting" to "Shareholders' Meeting"
4	Market Value Management System of Ningbo Shanshan Co., Ltd	Formulation	Formulated in accordance with the <i>Regulatory Guidelines for the Listed Companies – No.10 Market Value Management</i>

The revision of the regulations numbered 1-3 above still requires deliberation from the shareholders' meeting.

#### **(XVIII) Proposal on the Adjustment of the Company's Organization**

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

In order to implement the *New Company Law*, the China Securities Regulatory Commission's *Transitional Arrangements for the Implementation of the Rules of the New Company Law Supporting System* and other relevant regulations, the Company now intends to cancel the Board of Supervisors. Therefore, the Company's organizational structure has been adjusted accordingly. The adjusted organizational structure of the Company is as follows:



股东会	Shareholders' Meeting
董事会	BOD
董事长/总裁	Chairman/President
战略委员会	Strategy Committee
审计委员会	Audit Committee
提名委员会	Nomination Committee
薪酬与考核委员会	Remuneration and Appraisal Committee
业务经营	Business Operations
非常设机构	Non-permanent organs
负极材料	Anode materials
偏光片	Polarizer
其他业务	Other business
职能管理	Functional Management
产业管理部	Industrial Management Dept
证券事务部	Securities Affairs Dept.
法务部	Legal Dept.
人力资源部	HR Dept.
投资部	Investment Dept.
办公室	Office
企划部	Planning Dept.
财务资金部	Finance Dept.
内控部	Internal Control Dept.
审计监察部	Audit and Supervision Dept.

The organizational structure adjustment of the Company will take effect after the *Proposal on Cancellation of the Board of Supervisors and Revision on the Articles of Association and its Attachments of Ningbo Shanshan Co., Ltd.* was approved by the Company's 2024 Annual General Meeting of Shareholders.

**(XX) Proposal on the 2025 First Quarterly Report of Ningbo Shanshan Co., Ltd. (Unaudited).**

(Please refer to the website of the Shanghai Stock Exchange for details)

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

This report has been unanimously reviewed and approved by all members of the audit committee of the Company's Board of Directors, and has been agreed to be submitted for review by the Company's Board of Directors.

**(XXI) Proposal on Convening the 2024 Annual Shareholders' General Meeting of Ningbo Shanshan Co., Ltd.**

(Please refer to the website of the Shanghai Stock Exchange for details)

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

The BOD of the Company is scheduled to hold the 2024 Annual Shareholders' General Meeting on 16 May 2025 and to deliberate the following proposals at the meeting:

1. Proposal on the 2024 Annual Working Report of the Board of Directors;
2. Proposal on the 2024 Annual Working Report of the Board of Supervisors;
3. Proposal on the 2024 Annual Financial Report;
4. Proposal on the 2024 Annual Profit Distribution Plan;
5. Proposal on the Full Text and Abstract of the 2024 Annual Report;
6. Proposal on Re-engagement of Pan-China Certified Public Accountants LLP as the Company's Accounting and Audit Agency and Internal Control Audit Agency for the Year 2025;
7. Proposal on the Application for the 2025 Annual Comprehensive Credit Line at the Company Level;
8. Proposal on the Annual Guarantee Amount Provided by the Company for the Year 2025;
9. 2024 Internal Control Evaluation Report of Ningbo Shanshan Co., Ltd.;
10. 2024 Environmental, Social and Company Governance (ESG) Report of Ningbo Shanshan Co., Ltd.;

11. Proposal on Compensation Plan for Directors of the Company
12. Proposal on Cancellation of the Board of Supervisors and Revision on the Articles of Association and its Attachments of Ningbo Shanshan Co., Ltd.;
13. Proposal on Amending Company Related Systems.
  - 13.01 Proposal on Amending the Independent Director System of Ningbo Shanshan Co., Ltd;
  - 13.02 Proposal on Amending the Management Measures for Related Transactions of Ningbo Shanshan Co., Ltd;
  - 13.03 Proposal on Amending the Management Measures for External Guarantees of Ningbo Shanshan Co., Ltd.

At the meeting, the attendees will hear the 2024 Performance Report of each Independent Director.

**III. The Board of Directors will hear the 2024 Performance Report of each Independent Director and provide special opinions on the independence of the incumbent independent directors.**

Please refer to the website of the Shanghai Stock Exchange for details.

It is hereby announced.

The Board of Directors of Ningbo Shanshan Co., Ltd.

26 April 2025