

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

## **Announcement on the Resolution of the Twenty-second Meeting of the Tenth Session of the Board of Supervisors**

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

(I) The convening of the Twenty-second Meeting of the Tenth Session of the Board of Supervisors of Ningbo Shanshan Co., Ltd. (the “Company”) 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 of Supervisors was given in writing on 12 October 2022.

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

(IV) This meeting of the Board of Supervisors was chaired by the Convener of the Board of Supervisors. There were 3 Supervisors should attend the meeting of the Board of Supervisors, among which, 3 Supervisors actually attended the meeting, and there were no absent Supervisors.

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

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**

(3 voted in favor, 0 voted against, 0 abstained)

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 of Supervisors 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.

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

(3 voted in favor, 0 voted against, 0 abstained)

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

(3 voted in favor, 0 voted against, 0 abstained)

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

(3 voted in favor, 0 voted against, 0 abstained)

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

(3 voted in favor, 0 voted against, 0 abstained)

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

(3 voted in favor, 0 voted against, 0 abstained)

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

(3 voted in favor, 0 voted against, 0 abstained,)

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

(3 voted in favor, 0 voted against, 0 abstained)

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

(3 voted in favor, 0 voted against, 0 abstained)

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

9. Validity of resolution

(3 voted in favor, 0 voted against, 0 abstained)

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

(3 voted in favor, 0 voted against, 0 abstained)

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	-

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.

This proposal is subject to the general meeting for consideration.

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

(For details, please refer to the website of the Shanghai Stock Exchange)

(3 voted in favor, 0 voted against, 0 abstained)

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》).

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 website of the Shanghai Stock Exchange)

(3 voted in favor, 0 voted against, 0 abstained)

The supervisors 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.

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 website of the Shanghai Stock Exchange)

(3 voted in favor, 0 voted against, 0 abstained)

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.

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 website of the Shanghai Stock Exchange)

(3 voted in favor, 0 voted against, 0 abstained)

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.

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 website of the Shanghai Stock Exchange)

(3 voted in favor, 0 voted against, 0 abstained)

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》).

This proposal is subject to the general meeting for consideration.

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

(For details, please refer to the website of the Shanghai Stock Exchange)

(3 voted in favor, 0 voted against, 0 abstained)

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.

The Board of Supervisors is of the view that: when the Board of the Company considered the cancellation of the share options, the interested directors have abstained from voting and the independent directors have expressed their independent consent; according to the authorization of the 2019 first extraordinary general meeting of the Company, the approval process and content of the cancellation of the share options are in compliance with 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) (《宁波杉杉股份有限公司2019年股票期权激励计划实施考核管理办法》(2021年修订稿)), and there are no circumstances that are detrimental to the interests of the Company and shareholders. We agree with the cancellation of the share options.

**(IX) 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**

(For details, please refer to the website of the Shanghai Stock Exchange)

(3 voted in favor, 0 voted against, 0 abstained)

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. Agree to handle the exercise matters of the first grant of share options in the third exercise period for the eligible Participants satisfying the exercise conditions in accordance with the relevant provisions of this Incentive Plan. The Board of Supervisors is of the view that: the exercise conditions for the third exercise period of the share options granted for the first time under the 2019 Share Option Incentive Plan have been satisfied, the proposed list of Participants and

the number of exercisable options meet the relevant provisions of 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 decision-making and approval procedures for the exercise are legal and compliant, and there is no harm to the interests of the Company and the shareholders. We agree that the Company can handle the exercise matters for the eligible Participants on the exercise date set out in the Incentive Plan. .

Board of Supervisors of Ningbo Shanshan Co., Ltd.

17 October 2022