

Ningbo Shanshan Co., Ltd.
Announcement on the Resolution of the
Twenty-fourth Meeting of the Tenth Session of the
Board of Supervisors

I. The Meeting of the Board of Supervisors

(I) The convening of the Twenty-fourth 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. and the relevant laws and regulations.

(II) Notice of this meeting of the Board of Supervisors was given in writing on 4 December 2022.

(III) This meeting of the Board of Supervisors was hold on 9 December 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 proposal was considered and approved at the meeting:

Proposal on Provision of Related Guarantee for Shanshan New Material (Quzhou) Co., Ltd.

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

On May 10, 2022, the 2021 Annual General Meeting of shareholders of the Company reviewed and approved the matter of approving the Company to provide a guarantee amount of no more than RMB585 million to its subsidiary Shanshan New Material (Quzhou) Co., Ltd. ("Quzhou Shanshan"), and authorized the Chairman or his authorized agent to sign specific guarantee documents within the amount. The period is from the date of deliberation and approval of the 2021 Annual General

Meeting of Shareholders to the date of convening the 2022 Annual General Meeting of Shareholders. As of November 30, 2022, the Company has actually provided a total guarantee amount of RMB255,719,860 for Quzhou Shanshan within the aforementioned guarantee amount.

On December 8, 2022, in order to further focus on the development of the core business of the Company, optimize the allocation of resources and continuously enhance the core competitiveness of the Company, the general manager's office meeting of the Company considered and agreed that the wholly-owned subsidiary of the Company, would transfer 51% of its equity interest in Quzhou Shanshan to Sunyes Electronic Manufacturing (Guangdong) Holding Co., Ltd. or its designated holding subsidiary established for the purpose of executing this transaction (the "Counterparty"). After the completion of this transaction, the Company will no longer exercise control over Quzhou Shanshan. (For details, please refer to [Announcement on the Sale of Part of the Equity Interest in a Controlling Subsidiary](#) of Ningbo Shanshan Co., Ltd. disclosed by the Company on December 9, 2022)

According to the Equity Transfer Agreement signed with the Counterparty, the Board of Directors of the Company intends to continue to provide Quzhou Shanshan with the aforementioned guarantee amount of RMB255,719,860, with a period of time until the date of convening the 2022 Annual General Meeting of Shareholders. During the existence of the aforementioned guarantee, the Counterparty shall provide full counter-guarantee for the above guarantee amount, and the period of the counter-guarantee shall be two years from the date when the Company actually assumes the guarantee liability.

In view of the fact that Mr. Li Zhihua, the director and general manager of the Company, is the chairman of Quzhou Shanshan, and Mr. Yang Feng, the director of the Company, is the director of Quzhou Shanshan. According to the Article 6.3.3 of the Listing Rules of Shanghai Stock Exchange (), Quzhou Shanshan is the related legal person of the Company, and the guarantee provided by the Company shall constitute the related transaction.

The Board of Supervisors is of the view that: The related guarantee is mainly

carried out in accordance with the relevant provisions of the Equity Transfer Agreement signed with the Counterparty, and it is the existing actual guarantee amount within the scope of the guarantee amount reviewed and approved by the Company's 2021 Annual General Meeting of shareholders. It does not involve any new guarantee amount. Meanwhile, the Counterparty will provide full counter-guarantee. There is no harm to the interests of the Company and shareholders, especially minority shareholders.

When the Board of Directors of the Company deliberated on this related guarantee, the related directors has avoided voting, and the non-related directors unanimously agreed.

The independent directors have expressed the prior-approval statement and agreed independent consent for this proposal. The deliberation and voting procedures are legal and valid in accordance with the provisions of relevant laws, regulations and normative documents. We unanimously agreed to this proposal.

This proposal is subject to the general meeting for consideration.

This announcement is hereby made.

Board of Supervisors of Ningbo Shanshan Co., Ltd.

9 December 2022