

Ad hoc announcement pursuant to Art. 53 LR

Ningbo Shanshan Co., Ltd.

**Announcement on the Share Repurchase Scheme through
Centralized Bidding Transactions, Report of Repurchase
and Implementation of “Enhancing Quality, Increasing
Efficiency and Valuing Returns” Action Plan**

Important:

● To adhere to the “Investor-oriented” development philosophy as a listed company, safeguard the interests of all shareholders of Ningbo Shanshan Co., Ltd. (hereinafter referred to as the “Company”), enhance investor recognition of the Company's long-term value and confidence in investment, based on confidence in the Company's future development prospects and value appreciation, and considering factors such as the Company's operating situation and financial condition, the Board of Directors of the Company resolved to initiate a repurchase plan aimed at safeguarding the value of the Company and the interests of shareholders, in order to implement the “Enhancing Quality, Increasing Efficiency, and Valuing Returns” action plan of the Company and to establish a good market image. The main contents of this repurchase plan are as follows:

1. Purpose of the proposed share repurchase: the purpose of this share repurchase is to safeguard the value of the Company and the interests of shareholders. The repurchased shares will be used for sale in accordance with relevant regulations, and any portion not sold within the stipulated period will be canceled in accordance with the law.

2. Scale of the Share Repurchase: the aggregate amount of the repurchase funds shall not be less than RMB250 million (inclusive) or more than RMB500 million (inclusive).

3. Period of Repurchase: Not exceeding 3 months commencing from the date

on which the Board of Directors approves the Share Repurchase Scheme.

4. Repurchase price range: no more than RMB18.60 per share (inclusive), the price shall not be higher than 150% of the average trading price of the Company's shares on the 30 trading days prior to the adoption of the repurchase resolution by the Company's Board of Directors.

5. Source of funds for the repurchase: the Company's own funds.

● **Whether the relevant shareholders having a shareholding reduction plan:** as at the date on which the Board of Directors approves the Share Repurchase Scheme, none of the directors, supervisors, senior management, controlling shareholders, and shareholders holding more than 5% of the shares of the Company had a plan to reduce their shareholdings for the next 3 or 6 months (Except for the passive reduction caused by the holder of convertible corporate bonds choosing to convert shares after the non-public offering of convertible corporate bonds by Shanshan Group Co., Ltd., the controlling shareholder of the Company, enters the share convertible period). Should the relevant personnels and entities plan to implement the shareholding reduction plan in the future, the Company will perform its obligation of information disclosure in a timely manner in accordance with relevant regulations.

● **Risks warning:**

1. During the Period of Repurchase, should the Company's share price constantly exceed the price ceiling as set forth in the Share Repurchase Scheme, there may be risks of the Scheme being unable to be completed in part or in all.

2. In the event of significant changes in the Company's production and operation, financial conditions, or external environment, or other events that cause the Board of Directors to decide to terminate the Share Repurchase Scheme, there may be risks of failure in the successful implementation of the Share Repurchase Scheme, or changes in or termination of the Share Repurchase Scheme according to the applicable rules.

3. The shares repurchased this time are intended to be sold within the prescribed

period (i.e., from 12 months after the disclosure of the repurchase results and shareholding changes announcement to within 3 years). If the sale cannot be completed within the aforementioned period, there may be a risk of the unsold portion being entirely canceled in accordance with the law.

4. In the event that regulatory authorities issue new regulatory documents regarding repurchases, there may be a risk of needing to adjust the corresponding repurchase terms according to the latest regulations from the regulatory authorities during the implementation process of this repurchase.

5. The Share Repurchase will not have a material effect on the Company's operations, financial conditions or future development, nor will it hinder the listing status of the Company. The Company will make a timely decision to repurchase its shares based on the market conditions within the Period of Repurchase and put it into implementation at an appropriate time, and fulfill its information disclosure obligations in a timely manner according to the progress of the Share Repurchase. Investors are advised to remain attention of the investment risks.

To adhere to the “Investor-oriented” development philosophy as a listed company, safeguard the interests of all shareholders of the Company, enhance investor recognition of the Company's long-term value and confidence in investment, based on confidence in the Company's future development prospects and value appreciation, and considering factors such as the Company's operating situation and financial condition, the Board of Directors of the Company resolved to initiate a repurchase plan aimed at safeguarding the value of the Company and interests of shareholders, in order to implement the “Enhancing Quality, Increasing Efficiency, and Valuing Returns” action plan of the Company and to establish a good market image.

I. Procedures for review and implementation of the Share Repurchase Scheme

On February 4, 2024, during the seventh meeting of the eleventh session of the Board of Directors, the *Proposal on the Share Repurchase Scheme through Centralized Bidding Transactions* was approved with 11 votes in favor, 0 votes against, and 0 abstentions.

According to the relevant provisions of the Articles of Association of Ningbo Shanshan Co., Ltd. (the "Articles of Association"), the implementation of the Share Repurchase Scheme has been approved with a resolution by more than two-thirds of the directors attending the board meeting, and therefore does not need to be reviewed and approved by the Company's general meeting of shareholders.

As of the close of trading on February 2, 2024, the closing price of the shares of the Company was RMB 9.40 per share. This price meets the conditions specified in *the Guidelines for Self-Regulation of Listed Companies of Shanghai Stock Exchange No. 7- Repurchase of Shares (Revised December 2023)*" Article 2, Clause 2, which include "the closing price of the shares of a company being lower than the latest net asset per share", "cumulative price decline of the share of a company reaching 20% over 20 consecutive trading days", and "the closing price of the shares of a company being lower than 50% of the highest closing price in the past year".

The time and procedures of the board meeting for the consideration of the share repurchase are in line with the relevant provisions of the *Guidelines for Self-Regulation of Listed Companies of Shanghai Stock Exchange No. 7- Repurchase of Shares* and the Articles of Association.

II. Main contents of the Share Repurchase Scheme

(I) Purpose of the Share Repurchase

It is based on the confidence in the Company's future development and recognition of its long-term value, and considering the current capital market and changes in the Company's stock price, in order to encourage long-term rational value investment by investors, enhance investor confidence, and promote the Company's long-term stable development, following a thorough consideration of its operating

results and financial conditions, etc., the Company intends to repurchase shares through centralized bidding transactions. The purpose of this share repurchase is to safeguard the value of the Company and the interests of shareholders.

(II) Types of shares to be repurchased

The ordinary shares (A shares) in RMB issued by the Company.

will be resumed and disclosed in a timely manner following the resumption of trading of its shares.

(V) The purpose of the Share Purchase Scheme, number of shares to be repurchased, its percentage in the Company's total share capital, and aggregate amount of funds for the Repurchase

The aggregate amount of funds for the Share Repurchase is not less than RMB250 million (inclusive) or more than RMB500 million (inclusive). Based on the upper limit of the repurchase price of RMB18.60 per share and the maximum repurchase amount of RMB500 million, with the Share Repurchase being completed successfully, the estimated number of shares to be repurchased will be approximately 26,881,720 shares, accounting for 1.19% of the Company's total issued share capital (2,258,223,223 shares); and based on the minimum amount of RMB250 million, the estimated number of shares to be repurchased will be approximately 13,440,861 shares, accounting for 0.60% of the Company's total issued share capital. The final number and amount of shares repurchased shall be subject to the actual number and amount of shares repurchased at the end of the repurchase.

Purpose of repurchase	Number of shares to be repurchased (shares)	Percentage of the repurchased shares in the Company's total share capital (%)	Aggregate amount of funds for the Share Repurchase (RMB million)	Period of Repurchase
To safeguard the value of the Company and the interests of shareholders - sale	13,440,861~ 26,881,720	0.60~1.19	250~500	Not exceeding 3 months starting from the date on which the Company's Board of Directors approves the Share Repurchase Scheme

(VI) The price of the Share Repurchase

The price of the Share Repurchase is not more than RMB18.60 per share(inclusive), and the upper limit of the repurchase price range is not higher than 150% of the Company's average share price in the 30 trading days before the Board of

Directors passing the resolution on the Share Repurchase. The specific repurchase price will be determined during the Period of Repurchase with the Company's share price, financial conditions and operating results taken into account.

Should there be ex-rights and ex-dividends events such as conversion of capital reserves into the Company's share capital, distribution of shares or cash dividends, share division or shrinkage, etc. occurring during the Period of Repurchase, the Company shall adjust the upper limit of the repurchase price accordingly, starting from the date of ex-rights and ex-dividends, in compliance with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange.

(VII) Source of funds

The aggregate amount of funds for the Share Repurchase is not less than RMB250 million (inclusive) or more than RMB500 million (inclusive), which are the Company's own funds.

(VIII) Estimated changes in the Company's shareholding structure following the Share Repurchase

Based on the lower limit of the repurchase amount of RMB250 million and the upper limit of RMB500 million, as well as the upper limit of the repurchase price of RMB18.60 per share, assuming that all the shares repurchased are sold, the total share capital and shareholding structure of the Company will remain unchanged; if the repurchased shares cannot be sold and thus all will be cancelled, it is estimated that there will be changes in the Company's shareholding structure after the repurchase and cancellation as follows:

Nature of shares	Before the Share Repurchase		After the Share Repurchase and Cancellation Based on the Upper Limit of the Repurchase Amount		After the Share Repurchase and Cancellation Based on the Lower Limit of the Repurchase Amount	
	Number of shares	Percentage (%)	Number of shares	Percentage (%)	Number of shares	Percentage (%)

Restricted shares	500,986,731	22.18	500,986,731	22.45	500,986,731	22.32
Unrestricted shares	1,757,236,492	77.82	1,730,354,772	77.55	1,743,795,631	77.68
Total	2,258,223,223	100	2,231,341,503	100	2,244,782,362	100

The actual changes in shares will be disclosed in the announcement on the results of Share Repurchase published after the repurchase is completed. This repurchase of shares of the Company will be sold through centralized bidding transactions after 12 months from the disclosure of the repurchase results and shareholding changes announcement, and the sale will be completed within 3 years after the disclosure of the repurchase results and shareholding changes announcement. If the Company fails to complete the sale within the aforementioned period, the unsold portion of the shares will be canceled following the relevant procedures.

(IX) Analysis of the possible impact of the Share Repurchase on the Company's daily operations, finance, R&D, profitability, debt performance, future development and maintenance of its listing status

As at September 30, 2023 (unaudited), the Company's total assets amounted to RMB49.205 billion, and net assets attributable to the shareholders of the Listed Company were RMB23.231 billion, with its monetary funds amounting to RMB4.634 billion, which indicates that the Company has sufficient monetary funds at its disposal. Assuming that the upper limit of the repurchase funds of RMB500 million are all used up, as at September 30, 2023, the funds for the repurchase will account for approximately 1.02%, 2.15%, and 10.79%, respectively, of the total assets, net assets attributable to shareholders of the Listed Company and monetary funds of the Company, the proportions are relatively low.

Based on the Company's current operating and financial conditions, the Share Repurchase will not have a significant impact on the Company's operations, finance or future development, nor the ability of debt performance and continuing as going concern. The Share Repurchase will not lead to changes in the Company's control. After the completion of the Share Repurchase, the Company's shareholding structure still meets the requirements of listing and will not hinder the Company's listing status.

(X) Explanation for whether the directors, supervisors, senior management, and controlling shareholders of the Listed Company had traded in the Company's shares within 6 months before the Board of Directors passed the resolution on the Share Repurchase, whether there is a conflict of interests with the Share Repurchase Scheme, whether there were insider transactions and Market manipulation and whether they had a plan to increase or decrease their shareholding during the Period of Repurchase

Except for the relevant shareholding changes resulting from the cancellation of restricted stock repurchases and the implementation of disclosed shareholding increase plans, the directors, supervisors, senior management and controlling shareholders did not trade in the stocks of the Company within 6 months before the Board of Directors passed the resolution on the Share Repurchase:

1. According to the decisions made during the second meeting of the eleventh Board of Directors convened on August 2, 2023, the Company completed the procedures for the repurchase and cancellation of relevant restricted stocks on October 16, 2023, which includes 112,500 shares of restricted stock held by Ms. Li Fengfeng, a director and a senior executive, and 73,500 shares held by Mr. Zhu Zhiyong, a director and a senior executive. (For details, please refer to the announcement disclosed by the Company on the official website)

2. The Company disclosed announcements titled *Announcement on Plan for Additional Share Acquisition by Certain Directors and Senior Management of Ningbo Shanshan Co., Ltd.* and *Announcement on Progress of Plan for Additional Share Acquisition by Certain Directors and Senior Management of Ningbo Shanshan Co., Ltd.* on the Company's official website (www.ssgf.net) on August 29, 2023, and February 1, 2024, respectively. As of February 1, 2024, a total of 8 participants in the plan for additional share acquisition have cumulatively increased their holdings of A shares of the Company by 1,826,200 shares through centralized bidding transactions on the system of the Shanghai Stock Exchange, which accounts for 0.08% of the total

share capital of the Company, with a cumulative amount for additional share of acquisition of RMB 20,937,400. Among of the which, Mr. Zheng Ju, the chairman of the Board of Directors of the Company, further acquired A shares of the Company by 1,810,000 shares, with an amount for additional share of RMB 20,728,700. The plan for additional share acquisition has not yet been fully implemented. (For details, please refer to the announcement disclosed by the Company on the official website)

Based on the above, there is no conflict of interests, insider transaction, or market manipulation between the relevant entities and the Share Repurchase Scheme.

As of the date on which the Board of Directors approves the Share Repurchase Scheme, except for the disclosed plan for increase of shares of the Company of certain directors and senior managements, the Company's directors, supervisors, senior management and controlling shareholders had no plans to increase or decrease their shareholdings of the Company during the Period of Repurchase (Except for the passive reduction caused by the holder of convertible corporate bonds choosing to convert shares after the non-public offering of convertible corporate bonds by

(Except for the passive reduction caused by the holder of convertible corporate bonds choosing to convert shares after the non-public offering of convertible corporate bonds by Shanshan Group Co., Ltd., the controlling shareholder of the Company, enters the share convertible period), they will fulfill their obligations of information disclosure in accordance with relevant laws and regulations.

(XII) Relevant arrangements for cancellation or transfer of shares after the Share Repurchase

This repurchase of shares of the Company will be sold through centralized bidding transactions after 12 months from the disclosure of the repurchase results and shareholding changes announcement, and the sale will be completed within 3 years after the disclosure of the repurchase results and shareholding changes announcement. If the Company fails to complete the sale within the aforementioned period, the unsold portion of the shares will be canceled following the relevant procedures. The Company will also fulfill its information disclosure obligations in a timely manner according to the specific implementation results.

(XIII) The Company's arrangements for preventing infringements on the interests of its creditors

This share repurchase is aimed at safeguarding the value of the Company and the interests of shareholders, and it will not affect the normal ongoing operations of the Company. In the event of share cancellation, the Company will comply with the provisions of the relevant laws and regulations, fulfill statutory procedures such as notifying creditors, etc., and fully safeguard the legitimate rights and interests of creditors.

(XIV) Specific authorization for proceeding with the Share Repurchase

In order to complete the Share Repurchase in a smooth, efficient and orderly manner, the Company's Board of Directors has authorized its senior management to deal with all the specific matters related to the Share Repurchase. The details and scope of such authorization include but not limited to the following:

1. Setting up a special securities account for the Share Repurchase and other

related matters;

2. To the extent permitted by the applicable laws, regulations and regulatory documents, formulating and adjusting the specific implementation plan for the Share Repurchase according to the specific conditions of the Company and the market within the Period of Repurchase, including but not limited to the timing, price, and quantity of repurchase and other matters related thereto;

3. Handling the relevant applications, including but not limited to formulating, revising, authorizing, signing, and executing all the necessary documents, contracts, agreements, etc. related to the Share Repurchase;

4. Should there be any changes in the policies of the regulatory authority on the Share Repurchase or in the market conditions, except for the matters related to applicable laws, regulations and the Articles of Association that must be re-voted by the Board of Directors, the senior management of the Company will be authorized to make appropriate adjustments to the specific plans for the Share Repurchase and other relevant matters;

5. Handling other matters not listed above but necessary for the Share Repurchase in accordance with applicable laws, regulations, and relevant provisions of the regulatory authorities.

The above authorization starts from the date when the Board of Directors of the Company approves the Share Repurchase Scheme to the date when the above-mentioned authorization-related matters are completed.

III. Risks of uncertainty in the Share Repurchase Scheme

1. During the Period of Repurchase, should the Company's share price constantly exceed the price ceiling as set forth in the Share Repurchase Scheme, there may be risks of the Share Repurchase Scheme being unable to be completed successfully in part or in all.

2. Should there be major changes in the Company's production and operation, financial conditions, and external environment, or events that cause the Company's

Board of Directors to decide to terminate the Share Repurchase Scheme, there may be risks in the smooth implementation of the Share Repurchase Scheme, or risks of changes in or termination of the Share Repurchase Scheme according to the rules.

3. The shares repurchased this time are intended to be sold within the prescribed period (i.e., from 12 months after the disclosure of the repurchase results and shareholding changes announcement to within 3 years). If the sale cannot be completed within the aforementioned period, there may be a risk of the unsold portion being entirely canceled in accordance with the law.

4. In the event that regulatory authorities issue new regulatory documents regarding repurchases, there may be a risk of needing to adjust the corresponding repurchase terms according to the latest regulations from the regulatory authorities during the implementation process of this repurchase.

5. The Share Repurchase will not have a significant impact on the Company's operations, financial conditions or future development, and will not hinder its listing status. The Company will make a decision based on the market conditions within the Period of Repurchase and put it into implementation at an appropriate time, and fulfill its information disclosure obligations in a timely manner according to the progress of the Share Repurchase. Investors are reminded to remain attention of the investment risks.

IV. Other information on the Share Repurchase

(I) Share Repurchase account

According to relevant regulations, the Company has applied to open a special account for Share Repurchase with the China Securities Depository and Clearing Co., Ltd Shanghai Branch. The situation of the special account is as follows:

Name of account holder: Special securities account for Share Repurchase of Ningbo Shanshan Co., Ltd.

Securities account number: B885436653

Such account is only for the repurchase of shares of the Company.

(II) Subsequent arrangement for information disclosure

The Company will fulfill its information disclosure obligations during the implementation of the Share Repurchase in accordance with relevant laws, regulations and regulatory documents in a timely manner.

V. The implementation of other relevant actions regarding “Enhancing Quality, Increasing Efficiency, and Valuing Returns” by the Company

(I) Focusing on operation and enhancing core competitiveness

With the vision of “building a respected global high-tech enterprise and achieving sustainable and quality development”, the Company focuses on the development of its two core businesses of lithium-ion battery anode materials and polarizers. In 2023, the Company achieved stable development through active market expansion, high-quality products and services, upgrade of manufacturing processes, and reforms on costs and expenses. The Company’s core businesses achieved steady growth in sales, further consolidating its leading position in the industry.

The Company will continue to take technological innovation as the engine, constantly improves manufacturing and operation capabilities, deepens cost reduction and efficiency enhancement, as well as continuously strengthens its leading position in the anode material and polarizer industries in order to achieve steady growth in global market share and long-term profitability, striving to become a world-class high-tech enterprise.

(II) Focusing on investors’ returns

The Company strictly implements the shareholders’ dividend plan and profit distribution policy in order to actively reward investors. In the past three years (2020-2022), the cumulative cash dividends amounted to RMB1.525 billion, accounting for 24.72% of the cumulative net profit attributable to shareholders of the Company in the past three years. Of which, cash dividends of RMB147 million, RMB707 million and RMB671 million were declared from 2020 to 2022, respectively, accounting for

106.17%, 21.17%, and 24.95% of the net profit attributable to shareholders of the Company for the corresponding year, respectively.

Meanwhile, taking into account the changes in the capital market and the Company's share prices, in order to boost investors' confidence and maintain the Company's value, the Company planned to carry out share repurchase in December 2022. In 2022 and 2023, the Company implemented share repurchase amounting to RMB247 million and RMB546 million, respectively. The above-mentioned repurchase amounts are considered as cash dividends, accounting for 9.18% and 49.59%-63.43% of the net profit attributable to shareholders of the Company for the corresponding year (according to preliminary estimates in the 2023 performance forecast).

Looking forward, the Company will adhere to providing continuous and stable cash dividends to investors in accordance with relevant regulations and based on the Company's operations as well as business development goals, while ensuring normal operations. This will bring long-term investment returns to shareholders and enhance their sense of fulfillment.

(III) Strengthening communication with investors

The Company attaches great importance to the maintenance of investor relations, strictly abides by the requirements of relevant laws and regulations, the Company's information disclosure management and other relevant systems, with a view to fulfilling its information disclosure obligations truthfully, accurately, completely, timely, and fairly. The Company actively maintains investor relations through multiple channels such as listed company announcements, investor exchange meetings, results briefings, on-site investor visits, investor hotlines, SSE e-interactive platform and investor email, in a bid to strengthen communication and exchange of views with investors, enabling them to comprehensively and timely understand the Company's development strategies, business models and operating conditions, thereby enhancing their understanding and recognition of the Company.

This announcement is hereby made.

Board of Directors of Ningbo Shanshan Co., Ltd.

February 4, 2024