

Ad hoc announcement pursuant to Art. 53 LR

Ningbo Shanshan Co., Ltd.

**Announcement on Progress of the Sale of Part of the
Equity Interest in a Company's Controlling
Subsidiary**

In order to further focus on the development of the core business of Ningbo Shanshan Co., Ltd. (the “Company”), optimize the allocation of resources and continuously enhance the core competitiveness of the Company, on December 8, 2022, the general manager's office meeting of the Company considered and agreed that Ningbo Yongquan Investment Co., Ltd. (“Yongquan Investment”), a wholly-owned subsidiary of the Company, shall transfer its 51% equity interest in Shanshan New Material (Quzhou) Co., Ltd. to Sunyes Electronic Manufacturing (Guangdong) Holding Co., Ltd. or its designated controlling subsidiary established for the transaction (“Sunyes Manufacturing”). On February 17, 2023, the parties involved in this transaction signed the Closing Memorandum, confirming that the closing of this equity transfer was completed on February 17, 2023. For details, please refer to the relevant announcement on the Company's website on December 8, 2022 and February 17, 2023.

As the Sunyes Manufacturing failed to pay the remaining equity transfer payment of RMB344.862 million before June 30, 2023 as agreed, Yongquan Investment urged Sunyes Manufacturing to fulfill its payment obligations and actively protect Yongquan Investment's own rights by sending lawyer's letters and other means. After several rounds of negotiation, the relevant parties involved in the transaction reached an agreement and signed the Settlement Agreement recently. The main contents of the Settlement Agreement are as follows:

1. Relevant Party: Yongquan Investment (Party A), Sunyes Manufacturing (Zhejiang) Holding Co., Ltd. (Party B) and Zhejiang Sunyes Zhongning New Energy Co., Ltd. (Party C).

2. Party B and Party C shall jointly and severally pay to Party A the following

amounts payable: (1) Unpaid equity transfer payment of RMB344,862,000; (2) The fund occupation fee calculated at 8% annual fixed interest rate based on RMB344.862 million as of July 1, 2023 (if part of the payment has been made, the fund occupation fee shall be calculated in sections).

3. Party B and Party C agree to jointly and severally pay the payables to Party A at the following time points: (1) Party C shall pay the equity transfer payment of RMB10,000,000 to Party A on December 25, 2023; (2) Pay the equity transfer payment of RMB 25,000,000 before January 15, 2024; (3) Pay the equity transfer payment of RMB 65,000,000 before March 31, 2024; (4) Before June 30, 2024, all the remaining payables (including the remaining equity transfer payment and all the fund occupation fees) shall be paid.

4. Terms of Breach: If Party B and/or Party C fails to pay any payables in full and on time as agreed herein, the payment obligations of all payables shall be accelerated and Party A shall have the right to require Party B and Party C to pay all remaining payables immediately, and Party B and Party C shall bear the liability for breach of contract as agreed herein.

If Party B and/or Party C fails to pay any payable in accordance with this Agreement, the terms and conditions of the fund occupation fee agreed in this Agreement shall no longer be applicable, and the fund occupation fee shall not be paid. However, Party B and Party C shall bear the following two liabilities for breach of contract at the same time (i.e. liquidated damages I + liquidated damages II):

(1) Liquidated damages I: From July 1, 2023, the fund occupation fee shall be calculated on the basis of RMB 344.862 million at a rate of 0.05% per day (if part of the payment has been made, the fund occupation fee shall be calculated in sections);

(2) Liquidated damages II: Party B and Party C shall pay Party A at 5% (RMB35.19 million) of the total amount of the equity transfer payment under the Equity Transfer Agreement on Shanshan New Material (Quzhou) Co., Ltd.

As of the date of this announcement, Party C has made the equity transfer payment of RMB10,000,000 as agreed in the Settlement Agreement. Subsequently, the Company will continue to follow up on the recovery of the remaining equity

transfer payments and fund occupation fee.

It is hereby announced.

Board of Directors of Ningbo Shanshan Co., Ltd.

29 December 2023