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 Feburary 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 fullfill 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 tra of Re payment -7n, [((3)T (.)

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transfer payments and fund occupation fee.

It is hereby announced.

Board of Directors of Ningbo Shanshan Co., Ltd.

29 December 2023