宁波杉杉股份有限公司

Ningbo Shanshan Co., Ltd.

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Please refer to the Management Discussion and Analysis, Corporate Governance section of the 2023 Annual Report (Revised) disclosed by the Company on the official website on May 8, 2024.

Please vote after deliberation.

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In 2023, the Supervisory Committee of Ningbo Shanshan Co., Ltd. (hereinafter referred to as the “Company”) strictly complied with the Chinese laws and regulations and corporate rules including the Company Law of the PRC, the Securities Law of the PRC and the Articles of Association of Ningbo Shanshan Co., Ltd. (hereinafter referred to as the “Company Law”, the “Securities Law” and the “Articles of Association”, respectively), exercised independently its power according to law, fulfilled its supervision duties with diligence, imposed effective oversight on the Company’s operations, financial position and the duty performance of directors and

2023	
The 2nd Meeting of the 11th Session of the Supervisory Committee held on 2 August 2023	Proposal on Adjustment of Related Equity Price, Cancellation of Certain Stock Options and Repurchase and Cancellation of Certain Restricted Shares under the Company's 2022 Stock Options and Restricted Stock Incentive Plan.

During the Reporting Period, the Supervisory Committee of the Company

shareholders' legitimate interests by sitting in on the Board meetings and attending the

million and down 4.56% as compared to the same period last year.

(III) Taxes and surcharges amounted to RMB109.7887 million, an increase of RMB29.6078 million and up 36.93% as compared to the same period last year, which was mainly due to the increase in the Company's property tax, land use tax and other taxes during the Reporting Period.

(IV) Expenses stood at RMB2,247.7573 million, a decrease of RMB395.1740 million and down 14.95% as compared to the same period last year. Among them, selling expenses amounted to RMB244.5381 million, a decrease of RMB36.8504 million and down 13.10% as compared to the same period last year; administrative expenses amounted to RMB667.9874 million, a decrease of RMB44.9764 million and down 6.31% as compared to the same period last year; research and development expenses amounted to RMB868.2973 million, a decrease of RMB84.2750 million and down 8.85%

(XVI) Other comprehensive income attributable to owners of parent company, net of tax was RMB72.9258 million compared with RMB-118.8335 million in the same period last year. It was mainly due to the change in the stock price of financial assets held by the Company during the Reporting Period.

(XVII) Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses was RMB218.8644 million, down from RMB2,328.8948 million in the same period last year, with a reduction of 90.60%.

(XVIII) Weighted average return on net assets attributable to holders of the Company's ordinary shares decreased by 9.58 percentage points to 3.35% from 12.93% last year; weighted average return on net assets ratio after deduction of extraordinary items was 0.96%, a decrease of 10.23 percentage points from 11.19% last year.

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(I) Assets

By the end of 2023, the Company's assets totaled RMB48,474.9660 million, an increase of RMB3,549.4748 million and up 7.90% as compared to the beginning of 2023. Current assets were valued at RMB19,133.7118 million, occupying 39.47% of the total assets, an increase of RMB190.7311 million and up 1.01% as compared with the beginning of 2023; non-current assets at RMB29,341.2542 million, occupying 60.53% of the total assets, an increase of RMB3,358.7437 million and up 12.93% as compared with the beginning of 2023. The following are the details:

1. Goodwill at the end of the Period amounted to RMB4,855.7255 million, an increase of RMB113.4600 million and up 2.39% from RMB4,742.2654 million at the beginning of 2023.

2. Accounts receivable financing at the end of the Period amounted to RMB819.0202 million, an increase of RMB306.7704 million and up 59.89% from RMB512.2498 million at the beginning of 2023. The main reason is that the main settlement method of anode business was bill settlement during the Reporting Period.

3. Accounts receivable at the end of the Period amounted to RMB4,664.0881 million, a decrease of RMB30.8863 million and down 0.66% from RMB4,694.9744 million at the beginning of 2023.

4. Notes receivable at the end of the Period amounted to RMB585.4652 million, an increase of RMB357.6322 million and up 156.97% from RMB227.8331 million at the beginning of 2023, mainly due to the higher usage of notes by the anode business

RMB198.1546 million at the beginning of 2023.

14. Book value of fixed assets at the end of the Period amounted to RMB10,917.0938 million, an increase of RMB2,565.9420 million and up 30.73% from RMB8,351.1518 million at the beginning of 2023, mainly due to the increase in the conversion of construction in progress of buildings and machinery and equipment to fixed assets in the anode and polarizer business during the Reporting Period.

15. Book value of construction in progress at the end of the Period amounted to RMB5,580.7428 million, an increase of RMB633.5553 million and up 12.81% from RMB4,947.1874 million at the beginning of 2023.

16. Right-to-use assets at the end of the Period amounted to RMB1,418.9609 million, a decrease of RMB205.8936 million and down 12.67% from RMB1,624.8546 million at the beginning of 2023.

17. Book value of intangible assets at the end of the Period amounted to RMB2,000.0469 million, an increase of RMB242.1106 million and up 13.77% from RMB1,757.9364 million at the beginning of 2023.

18. Goodwill at the end of the Period amounted to RMB879.2351 million, a decrease of RMB128.0447 million and down 12.71% from RMB1,007.2799 million at the beginning of 2023.

19. The long-term prepaid expense at the end of the Period amounted to RMB93.0296 million, a decrease of RMB40.3549 million and down 30.25% from RMB133.3845 million at the beginning of 2023. It was mainly due to the amortization of the Company's fixed asset improvement expenditures and the transfer of Ulica's long-term prepaid expenses to assets held for sale during the Reporting Period.

20. Deferred tax assets at the end of the Period amounted to RMB199.3327 million, an increase of RMB64.3900 million and up 47.72% from RMB134.9427 million at the beginning of 2023. It was mainly because according to the Interpretation of Accounting Standards for Business Enterprises No. 16, for the lease liabilities and use rights assets recognized by a single transaction, if there are taxable temporary differences and deductible temporary differences, deferred income tax assets and deferred income tax liabilities shall be adjusted in accordance with the provisions. The anode business and polarizer business were subject to such treatment during the Reporting Period.

21. Other non-current assets at the end of the Period amounted to RMB136.2353 million, a decrease of RMB24.8601 million and down 15.43% from RMB161.0954

million at the beginning of 2023.

(II) Liabilities

By the end of 2023, the Company’s liabilities totaled RMB24,882.1103 million, an increase of RMB4,086.7336 million as compared with that at the beginning of 2023. Current liabilities amounted to RMB14,608.5502 million, occupying 58.71% of the total liabilities, an increase of RMB1,709.1074 million and up 13.25% as compared with that at the beginning of 2023; non-current liabilities RMB10,273.5601 million, occupying 41.29% of the total liabilities, an increase of RMB2,377.6262 million and up 30.11% as compared with that at the beginning of 2023. The following are the details:

1. Advances from customers at the end of the Period amounted to RMB20.8354 million, a decrease of RMB79.3609 million and down 79.21% from RMB100.1963 million at the beginning of 2023, mainly because that during the Reporting Period, the Company completed the closing of 51% equity of Quzhou Shanshan, and the equity proceeds of RMB100 million received in advance was transferred out.

2. Short-term borrowings at the end of the Period amounted to RMB6,697.0849 million, an increase of RMB2,768.6130 million and up 70.48% from RMB3,928.4720 million at the beginning of 2023, mainly due to the expansion of the Company's business during the Reporting Period, which led to an increase in working capital loans and notes discounting.

3. Contractual liabilities at the end of the Period amounted to RMB12.3764 million, down 79.65% from RMB60.8151 million at the beginning of 2023, with a reduction of RMB48.4387 million, mainly because that the Company signed the equity transfer agreement for Ulica and its subsidiaries in the photovoltaic business during the Reporting Period and transferred their liabilities to the liabilities held for sale account.

4. Book value of accounts payable at the end of the Period amounted to RMB2,812.4065 million, a decrease of RMB336.8656 million and down 10.70% from RMB3,149.2720 million at the beginning of 2023.

5. Notes payable at the end of the Period amounted to RMB824.5172 million, down 59.58% from RMB2,039.7587 million at the beginning of 2023, with a reduction of RMB1,215.2415 million, mainly due to the maturity of notes payable for the anode business during the Reporting Period.

6. Tax payable at the end of the Period amounted to RMB79.1798 million, a

decrease of RMB217.2390 million and down 73.29% from RMB296.4187 million at the beginning of 2023, mainly due to the completion of the payment of corporate income tax accrued by the Company last year during the Reporting Period.

7. Other payables at the end of the Period amounted to RMB517.7148 million, a decrease of RMB235.2867 million and down 31.25% from RMB753.0015 million at the beginning of 2023, mainly due to the year-on-year decrease in the Company's restricted share repurchases, and various types of accrued expenses, deposits and payables during the Reporting Period.

8. Payroll payable at the end of the Period amounted to RMB142.3800 million, a decrease of RMB10.9882 million and down 7.16% from RMB153.3682 million at the beginning of 2023.

9. Liabilities held for sale account at the end of the Period amounted to RMB427.1884 million, an increase of RMB26.8710 million and up 6.71% from RMB400.3174 million at the beginning of 2023.

10. Non-current liabilities due within one year at the end of the Period amounted to RMB3,073.3682 million, an increase of RMB1,169.3151 million and up 61.41% from RMB1,904.0532 million at the beginning of 2023, mainly because that the Company reclassified the long-term borrowings due within one year into this account during the Reporting Period.

11. Other current liabilities at the end of the Period amounted to RMB1.4987 million, a decrease of RMB112.2710 million and down 98.68% from RMB113.7697 million at the beginning of 2023, mainly due to the decrease in payables for short-term sale-and-leaseback business during the Reporting Period.

12. Long-term borrowings at the end of the Period amounted to RMB8,063.6990 million, an increase of RMB3,887.6133 million and up 93.09% from RMB4,176.0856 million at the beginning of 2023, mainly due to the increase in long-term project loans for the polarizer business and the anode business during the Reporting Period, which were used to pay the cost for new capacity projects.

13. Long-term payables at the end of the Period amounted to RMB497.1314 million, a decrease of RMB1,318.9773 million and down 72.63% from RMB1,816.1088 million at the beginning of 2023, mainly due to the completion of the payment of principal and interest on the 25% equity interest for the polarizer business of LG Chem during the Reporting Period.

14. Lease liabilities at the end of the Period amounted to RMB776.9166 million, a

decrease of RMB360.0157 million and down 31.67% from RMB1,136.9323 million at the beginning of 2023, mainly due to the decrease in lease of buildings, machines and equipment of the Company and the transfer of the liabilities of Ulica to the liabilities held for sale account during the Reporting Period.

15. Estimated liabilities at the end of the Period amounted to RMB75.8687 million, an increase of RMB13.1622 million and up 20.99% from RMB62.7066 million at the beginning of 2023.

16. Deferred income at the end of the Period amounted to RMB467.2577 million, an increase of RMB100.4813 million and up 27.40% from RMB366.7764 million at the beginning of 2023.

17. Deferred tax liabilities at the end of the Period amounted to RMB392.6866 million, an increase of RMB55.3624 million and up 16.41% from RMB337.3242 million at the beginning of 2023.

(III) Owners' equity

By the end of 2023, the Company's owners' equity totaled RMB23,592.8557 million, occupying 48.67% of the total assets, a decrease of RMB537.2589 million and down 2.23% from RMB24,130.1145 million at the beginning of 2023. The following are the details:

1. Share capital at the end of the Period amounted to RMB2,258.2232 million, a decrease of RMB5.7501 million and down 0.25% from RMB2,263.9734 million at the beginning of 2023.

2. Capital reserve at the end of the Period amounted to RMB9,073.4841 million, a decrease of RMB57.8364 million and down 0.63% from RMB9,131.3206 million at the beginning of 2023.

3. Treasury shares at the end of the Period amounted to RMB981.3212 million, an increase of RMB466.5998 million and up 90.65% from RMB514.7213 million at the beginning of 2023, mainly due to mainly due to the repurchase of shares by the Company during the Reporting Period.

4. Other comprehensive income at the end of the Period amounted to RMB-77.8941 million from RMB-150.8199 million at the beginning of 2023, mainly due to changes in fair values of the Luoyang Molybdenum stock held by the Company during the Reporting Period.

5. Surplus reserve at the end of the Period amounted to RMB292.8019 million, basically the same as that at the beginning of 2023.

6. Special reserves at the end of the Period amounted to RMB1.7242 million, a decrease of RMB0.4167 million and down 19.46% from RMB2.1409 million at the beginning of 2023.

7. Undistributed profits at the end of the Period amounted to RMB12,102.1508 million, an increase of RMB73.5045 million and up 0.61% from RMB12,028.6463 million at the beginning of 2023.

8. Minority equity at the end of the Period amounted to RMB923.6866 million, a decrease of RMB153.0860 million and down 14.22% from RMB1,076.7726 million at the beginning of 2023.

(IV) Cash flows

The Company's cash and cash equivalents at the end of the Reporting Period amounted to RMB4,024.5417 million, an increase of RMB113.3637 million and up 2.90% from RMB3,911.1780 million in the same period last year. The following are the details:

1. Net cash flows from operating activities were RMB-198.1316 million from RMB506.4977 million in the same period last year, mainly due to the increase in raw material purchases and the decrease in tax rebates received by the polarizer business during the Reporting Period, which resulted in the decrease in the net cash flow of operating activities.

2. Net cash flows generated by investment activities were RMB-4,487.4035 million from RMB-4,949.1480 million in the same period last year.

3. Net cash flow generated by financing activities was RMB4,801.8583 million from RMB-328.9493 million in the same period last year, mainly due to the increase in net bank loans obtained by the Company during the Reporting Period as compared to last year.

Please vote after deliberation.

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According to the audit of BDO China Shu Lun Pan Certified Public Accountants LLP, as of 31 December 2023, the parent company's profit available for distribution at the end of the period was RMB2,558,609,895.87. The Company intends to distribute profits in 2023 based on the shares to be distributed (after deducting the special repurchase accounts' shares of the Company from total share capital) registered on the record date for the implementation of equity distribution. The proposal of profit appropriation is as follows:

The Company intends to distribute a cash dividend of RMB2.00 (tax inclusive) per 10 shares to all shareholders. As of the date when the Board of Directors considers the proposal of profit appropriation, the cash dividend to be dispatched by the Company totals RMB438,585,378.60 (tax inclusive) based on the 2,192,926,893 shares to be dispatched by the Company (2,258,223,223 total share capital and 65,296,330 shares in the specific accounts for repurchase of the Company), and it is expected to account for 57.31% of the net profit attributable to shareholders of the listed company in 2023. There will be no transfer from the capital reserve to share capital in this year.

The shares held by the Company in the accounts specific for repurchase will not be included in the extent of the profit attribution, and the Company will disclose the particular number of shares with profit attribution in the announcement of the implementation of equity distribution. If changes in the total share capital or the

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For details, please refer to Full Text and Abstract of the 2023 Annual Report (Revised) disclosed on the Company's website on May 8, 2024.

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Please vote after deliberation.

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In order to fulfil the business development needs of the Company , the Company and its subsidiaries intend to provide the amount of the guarantees in 2024 with details as follows (in RMB or equivalent foreign currencies) on the premise of ensuring standard operation and controllable risks pursuant to the Supervision Guidelines for Listed Companies No. 8-Regulatory Requirements for Capital Transactions and External Guarantees of Listed Companies (CSRC Announcement [2022] No. 26), the Articles of Association and the Measures for the Administration of External Guarantees of Ningbo Shanshan Co., Ltd.:

Ningbo Shanshan Co., Ltd.	Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. and its subsidiaries [note 1]	Not exceeding RMB25.5 billion
	Shanjin Photoelectric (Suzhou) Co., Ltd. and its subsidiaries [note 2]	Not exceeding RMB3.5

), Inner Mongolia Shanshan Technology Co., Ltd. ( ), Sichuan Shanshan New Material Co., Ltd. ( ), Yunnan Shanshan New Material Co., Ltd. ( ) and Ningbo Shanshan Silicon Base Material Co., Ltd.( ) etc. And other holding subsidiaries newly established or incorporated within the scope of consolidation during the authorized period.

Note 2: The subsidiaries of Shanjin Photoelectric (Suzhou) Co., Ltd. (( )) specifically include: Shanjin Optoelectronics (Nanjing) Co., Ltd. (( )), Shanjin Photoelectric Technology (Zhangjiagang) Co., Ltd. (( )), Shanjin Optoelectronics (Guangzhou) Co., Ltd. (( )), Shanjin Photoelectric (Mianyang) Co., Ltd.( ) and Shanjin Photoelectric (Yangzhou) Co., Ltd.( ) etc. And other holding subsidiaries newly established or incorporated within the scope of consolidation during the authorized period.

The total amount of the above-mentioned guarantees is RMB35 billion, and the Chairman or his authorized agent is authorized to sign specific guarantee documents within the limit. The period is from the date of approval of the 2023 annual shareholders' general meeting to the date of the 2024 annual shareholders' general meeting.

For details, please refer to Announcement on the Annual Guarantee Amount and Related Guarantees Provided for the Year 2024 disclosed on the Company's website on A

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According to the Company's Articles of Association and the Management Measures for External Guarantees of Ningbo Shanshan Co., Ltd., the Company plans

Explanation of related relationship:

In December 2023, the Company and Shanghai Xintonghui Photovoltaic taeteTNiol4-1yitc2.3(a2.3S(eT)OL(eT)AR Co(t)-.(t)-,of)-2Lnal4-dd ompa, 2(a)1dg1(c)-[(om)-2l(t)-2(4.6(t)-2(4-d , t)-2(he)-12(eT)quio3-2(t)-y (5-4(t)-rpl)-2(a)-1s(e)f(t)-2(e

For details, please refer to 2023 Internal Control Evaluation Report of Ningbo Shanshan Co., Ltd. disclosed on the Company's website on April 26, 2024.

Please vote after deliberation.

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In order to standardize the related party transactions of listed company, improve the standardized operation level of listed company, and protect the legitimate rights and interests of investors, it is proposed to revise the Management Measures for Related Party Transactions of Ningbo Shanshan Co., Ltd. in accordance with relevant laws and regulations such as the Listing Rules of Shanghai Stock Exchange and the Shanghai Stock Exchange Self Discipline Supervision Guidelines for Listed Companies No. 5- Trading and Related Party Transactions.

For details, please refer to Management Measures for Related Party Transactions of Ningbo Shanshan Co., Ltd. disclosed on the Company's website on April 26, 2024.

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Please vote after deliberation.

For details, please refer to 2023 Performance Report of Independent Directors of [illegible]