

## **CNGR Advanced Material Co., Ltd.**

### **Announcement of Resolution by the 28<sup>th</sup> Session of the 1<sup>st</sup> Board of Directors**

**The Company and the members of the Board of Directors hereby guarantee that the contents of the announcement are authentic, correct and complete, with no false record, misleading presentation or significant omissions.**

#### **I. Convening of the Meeting**

The 28<sup>th</sup> Session of the 1<sup>st</sup> Board of Directors was held on March 18, 2022 through a combination of on-site and remote communication methods. The notice of the meeting was sent by such means as e-mail on March 12, 2022. Seven directors were expected to attend the meeting, and totally seven directors actually attended the meeting, among whom Mr. Ge Xinyu, Mr. Tao Wu and Mr. Cao Yue attended the meeting remotely. The meeting was presided over by Mr. Deng Weiming, Chairman of the Board of Directors. The meeting was convened in accordance with the provisions of the Company Law and the *Articles of Association* and was legal and valid.

#### **II. Deliberations at the Meeting**

1. The *Proposal on <2022 Restricted Share Incentive Plan (Draft)> and Its Summary* was deliberated and adopted by 6 votes in favor, 0 votes against and 0 abstentions.

Director Tao Wu, an affiliated director of this Restricted Share Incentive Plan, abstained from voting. The remaining 6 directors voted.

The Company formulated the *2022 Restricted Share Incentive Plan (Draft)* and its summary in accordance with relevant laws and regulations, as part of its ongoing efforts to establish and improve its long-term incentive mechanism. The aim was to attract and retain outstanding talents, fully motivate the enthusiasm of directors, senior executives, core technicians and other personnel as deemed necessary by the Board of Directors, and combine the interests of shareholders, the company and employees to make them focus on the long-term development of the Company. The proposed plan was to implement a restricted share incentive plan among incentive targets.

The independent directors of the Company expressed their concurring and independent opinions on this matter.

This proposal has yet to be submitted to the General Meeting of Shareholders for deliberation.

For more information, please refer to the *2022 Restricted Share Incentive Plan (Draft)* and its summary disclosed on March 19, 2022 at [www.cninfo.com.cn](http://www.cninfo.com.cn).

2. The *Proposal on <Administrative Measures for Implementation and Assessment of the 2022 Restricted Share Incentive Plan>* was deliberated and adopted by 6 votes in favor, 0 votes against and 0 abstentions.

Director Tao Wu, an affiliated director of this Restricted Share Incentive Plan, abstained from voting. The remaining 6 directors voted.

The Company formulated the *Administrative Measures for Implementation and Assessment of the 2022 Restricted Share Incentive Plan* in accordance with relevant laws and regulations, with the aim to successfully implement the 2022 Restricted Share Incentive Plan and realize its development strategy and business goals.

The independent directors of the Company expressed their concurring and independent opinions on this matter.

This proposal has yet to be submitted to the General Meeting of Shareholders for deliberation.

For more information, please refer to the *Administrative Measures for Implementation and Assessment of the 2022 Restricted Share Incentive Plan* disclosed on March 19, 2022 at [www.cninfo.com.cn](http://www.cninfo.com.cn).

3. The *Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the Share Incentive* was deliberated and adopted by 6 votes in favor, 0 votes against and 0 abstentions.

Director Tao Wu, an affiliated director of this Restricted Share Incentive Plan, abstained from voting. The remaining 6 directors voted.

In order to specifically implement the 2022 Restricted Share Incentive Plan, it is agreed that the Board of Directors of the Company requests the General Meeting of Shareholders to authorize the Board of Directors to handle the following matters related to the Restricted Share Incentive

Plan:

(1) Requesting the General Meeting of Shareholders to authorize the Board of Directors to implement the following matters related to the Restricted Share Incentive Plan:

① To authorize the Board of Directors to determine the grant date of the Restricted Share Incentive Plan;

② To authorize the Board of Directors to adjust the number of restricted shares granted according to the method stipulated in the Restricted Share Incentive Plan in the event of capital reserve converted into share capital, distribution of stock dividends, stock split or reduction, or stock allotment;

③ To authorize the Board of Directors to adjust the price of restricted shares granted according to the method stipulated in the Restricted Share Incentive Plan in the event of capital reserve converted into share capital, distribution of stock dividends, stock split or reduction, stock allotment, or dividend distribution;

④ To authorize the Board of Directors to grant restricted shares and handle all matters required for granting restricted shares to eligible incentive targets, including signing the *Agreement for Grant of Restricted Shares* with incentive targets;

⑤ To authorize the Board of Directors to review and confirm the incentive targets' qualification and conditions for lifting restricted share restrictions and delegate this right to the Nomination, Remuneration and Appraisal Committee;

⑥ To authorize the Board of Directors to decide whether to lift restricted share restrictions;

⑦ To authorize the Board of Directors to handle all matters required for lifting restricted share restrictions, including but not limited to applying to the stock exchange for lifting restrictions, applying to the depository and clearing company for relevant registration and settlement business, amending the *Articles of Association*, and registering changes of the registered capital;

⑧ To authorize the Board of Directors to handle matters related to lifting restrictions for restricted shares that still have restrictions;

⑨ To authorize the Board of Directors to handle changes and termination of the Restricted Share Incentive Plan, including but not limited to canceling the qualification of incentive targets for lifting restrictions, repurchasing and canceling restricted shares that still have restrictions,

handling the transfer of restricted shares that still have restrictions from a deceased (dead) incentive target, and terminating the Restricted Share Incentive Plan;

⑩ To authorize the Board of Directors to manage and adjust the Restricted Share Incentive Plan, and formulate or amend relevant regulations on management and implementation of the plan from time to time without conflicting with the terms of the plan, provided, however, that any amendment that requires the approval of the General Meeting of Shareholders or/and relevant regulatory authorities according to laws, regulations or relevant regulatory authorities must be approved accordingly;

(2) Requesting the General Meeting of Shareholders to authorize the Board of Directors to handle other matters required for implementing the Restricted Share Incentive Plan, except for those rights expressly stipulated to be exercised by the General Meeting of Shareholders in relevant documents.

(3) Requesting the General Meeting of Shareholders to authorize the Board of Directors to handle approval, registration, filing, verification and consent procedures with relevant governments and institutions in relation to this Restricted Share Incentive Plan; sign, execute, amend and complete documents to be submitted to relevant governments, institutions, organizations and/or individuals; amend the *Articles of Association* and register changes of the registered capital; and do all such acts as it may deem necessary, appropriate or expedient in relation to the plan.

(4) Requesting the General Meeting of Shareholders to authorize the Board of Directors to appoint financial advisers, receiving banks, accountants, lawyers, securities companies and other intermediaries for the implementation of the Restricted Share Incentive Plan.

(5) Requesting the General Meeting of Shareholders to agree that the term of authorization to the Board of Directors should be consistent with that of the Restricted Share Incentive Plan.

The above-mentioned authorized matters can be exercised directly by the Chairman or his/her designee, except for those expressly stipulated to be approved by resolution of the Board of Directors according to laws, administrative regulations, CSRC regulations, regulatory documents, this Restricted Share Incentive Plan and/or the *Articles of Association* of the Company.

This proposal has yet to be submitted to the General Meeting of Shareholders for deliberation.

4. The *Proposal for Convening the 1<sup>st</sup> Extraordinary General Meeting of Shareholders in 2022* was deliberated and adopted by 7 votes in favor, 0 votes against and 0 abstentions.

The Board of Directors has agreed to hold the 1<sup>st</sup> Extraordinary General Meeting of Shareholders in 2022 at 2:00 p.m. on April 6, 2022 (Wednesday) in the conference room located at 15/F, Block B, Yunda Central Plaza, Changsha City, Hunan Province through a combination of on-site and remote communication methods to deliberate relevant proposals.

For more information, please refer to the *Notice on Convening the 1<sup>st</sup> Extraordinary General Meeting of Shareholders in 2022* disclosed on March 19, 2022 at [www.cninfo.com.cn](http://www.cninfo.com.cn).

### **III. Documents for Reference**

1. Resolutions of the 28<sup>th</sup> Session of the 1<sup>st</sup> Board of Directors;
2. Independent Opinions of the Independent Directors on Matters Discussed at the 28<sup>th</sup> Session of the 1<sup>st</sup> Board of Directors.

It is hereby announced.

CNGR Advanced Material Co., Ltd.

Board of Directors

March 19, 2022