Ningbo Shanshan Co., Ltd.
Measures for Management of ConnectedTransactions

(Revised in April 2024)

Chapter 1 General Provisions

Article 1 These Measures are formulated in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (hereinafter referred to as the "Shares Listing Rules"), the Self-regulatory Guidelines of Shanghai Stock Exchange for Listed Companies No. 5 - Transactions and Connected Transactions, and other laws, regulations, normative documents and the Articles of Association of Ningbo Shanshan Co., Ltd. (hereinafter referred to as the "Articles of Association") for the purposes of regulating the connected transaction of Ningbo Shanshan Co., Ltd. (hereinafter referred to as the "Company"), improving the standardized operation, and protecting lawful rights and interests of all investors.

Article 2 The connected transactions of the Company shall be fair in pricing, compliant in deliberation procedure and regular in information disclosure.

The Company's connected transactions shall be conducted in a lawful and compliant manner and shall not conceal the relationship, nor circumvent the relevant deliberation procedures and information disclosure obligations by disassociating the connected transactions. The relevant transactions shall not cause or be likely to cause the Company to have its funds appropriated by the controlling shareholder, the actual controller and other connected persons for non-operational purposes, provide non-compliant guarantees for connected persons or otherwise have its interests misappropriated by connected persons.

When deliberating the connected transactions, the Company shall gain a detailed understanding of the true status of the subject of the transaction and the trustworthiness, creditworthiness and performance capability of the counterparty, etc., prudently assess the necessity, reasonableness and impact of the relevant transaction on the Company and determine the transaction price based on adequate pricing basis. It shall focus on whether there are problems such as unclear ownership of the subject of the transaction, unclear performance ability of the counterparty, unfair transaction price, etc.

Article 3 The counterparty shall collaborate with the Company in performing the relevant deliberation procedures and information disclosure obligation.

Chapter 2 Identification of ConnectedPersons and ConnectedTransactions

Article 4 Connected transactions as defined under these Measures refer to the transfer of resources or obligations between the Company, its controlled subsidiaries or other entities under control and the connected persons of the Company, and include:

(I) Acquisition or sale of assets;

(II) External investment (including entrusted wealth management and investment in subsidiaries);

(III) Provision of financial assistance (including interest-bearing or interest-free lending and entrusted loans);

(IV) Provision of guarantees (including guarantees for controlled subsidiaries);

(V) Leasing in or leasing out of assets;

(VI) Entrusting or being entrusted to manage assets and businesses;

(VII) Granting or receiving assets;

(VIII) Creditor's rights and debt restructuring;

(IX) Signing of a license agreement;

(X) Transfer of research and development projects as the transferor or transferee;

(XI) Waiver of rights (including waiver of preemptive rights, priority to subscribe for

capital contribution, etc.);

(XII) Purchase of raw materials, fuels and power;

(XIII) Sale of products and commodities;

(XIV) Providing or receiving labor services;

(XV) Entrusting or entrusted sales;

(XVI) Deposit and loan business;

(XVII) Joint investment with connected persons;

(XVIII) Other matters that may result in the transfer of resources or obligations by agreement.

Article 5 Connected persons of the Company include connected legal persons (or other organizations) and connected natural persons.

Article 6 A legal person or any other organization under any of the following circumstances shall be a connected legal person of the Company (or other organization):

(I) A legal person (or any other organization) that directly or indirectly controls the Company;

(II) Legal persons (or other organizations) other than the Company, its controlled subsidiaries and other entities under control directly or indirectly controlled by the legal persons (or other organizations) listed in item (I) above;

(III) Legal persons (or other organizations) other than the Company, its controlled subsidiaries and other entities under control that are directly or indirectly controlled by the connected natural persons, or where the connected (III)

(I) Natural persons who directly or indirectly hold more than 5% of the shares of the Company;

(II) Directors, supervisors and senior officers of the Company;

(III) Directors, supervisors and senior officers of the legal persons (or other organizations) directly or indirectly controlling the Company;

(IV) Family members closely connected to the people stated under items (I) and (II) of this Article, including spouses; parents, children aged above 18 and their spouses;

Section I General Provisions

Article 11 Except the provisions of Article 17 of these Measures, any transactions of the Company with connected persons shall be promptly disclosed after being submitted to the Board of Directors for deliberation if it is:

(I) Conducted with a connected natural person with a transaction amount of over RMB300,000 (including the assumption of debts and expenses);

(II) Conducted with a connected legal person (or other organization) with a transaction amount of over RMB3,000,000 (including the assumption of debts and expenses) and accounting for over 0.5% of the absolute value of the latest audited net assets of the Company.

Article 12 Except the provisions of Article 17 of these Measures, the Company shall, in accordance with the provisions of the Rules Governing the Listing of Stocks, disclose an audit report or appraisal report on a transaction with an amount of over RMB30 million with a connected person (including the assumption of debts and expenses) and accounting for more than 5% of the absolute value of the latest audited net assets of the Company, and submit the transaction to the General Meeting for consideration.

Daily connected transactions under Arti6(a)lEets of the7t [(d)]TJ ( )Tj 0.002 Tc -62001 Tw 3.8

perform the deliberation procedure and obligation of disclosure in accordance with the first paragraph and follow the relevant audit or appraisal requirement.

Article 13 Before entering a connected transaction which should be disclosed with a connected person, the Company shall submit it to a special meeting of independent directors of the Company for review, and submit it to the Board of Directors of the Company for deliberation after more than half of all independent directors consent to it. Before making a judgment, the independent director may engage an independent financial advisor to issue a report as the basis for his/her judgment.

Article 14 When the Board of Directors is considering a connected transaction, the connected director shall avoid voting and shall not exercise voting rights on behalf of other directors. The meeting of the Board of Directors may be held only with the attendance of more than half of the unconnected directors, and the resolution made at the meeting shall be approved by more than half of the unconnected directors. Where there are less than three unconnected directors present at the meeting of the Board of Directors, the Company shall submit the transaction to the General Meeting for consideration.

The connected director stated in the preceding paragraph includes the following directors or those meeting one of the following conditions:

(I) Is the counterparty;

(II) Directly or indirectly controls the counterparty;

(III) A director serving in the counterparty, or serving in a legal person or other organization that directly or indirectly controls the counterparty, or a legal person or other organization directly or indirectly controlled by the counterparty;

(IV) Is a close family member of the counterparty or its direct or indirect controller;

(V) Is a close family member of the counterparty or the directors, supervisors or senior officers of such counterparty's direct or indirect controller;

(VI) Directors recognized by the CSRC, SSE and the Company in accordance with the principle of substance over form whose independent business judgment may be affected.

Article 15 When the General Meeting of the Company considers and approves a connected transaction, the connected shareholder shall avoid voting and shall exercise voting rights on behalf of other shareholders.

than two-thirds of the unconnected directors present at the meeting of the Board of Directors by means of resolution, and then submitted to the General Meeting for deliberation.

Article 17 If the Company provides a guarantee for its connected persons, the matter shall, in addition to the approval of more than half of all the unconnected directors, be approved by more than two-thirds of the unconnected directors present at the board meeting by means of resolution, and then submitted to the General Meeting for review and approval. Where the Company provides guarantees for the controlling shareholder, de facto controller and its connected persons, the controlling shareholder, de facto controller and its connected persons shall provide counter guarantees.

If a transaction or connected transaction turns the secured party into a connected person of the Company, then, the Company shall perform the corresponding review procedure and the obligation of information disclosure with respect to the surviving connected guarantee while implementing this transaction or connected transaction.

In case the Board of Directors or the General Meeting doesn't approve the connected guarantee affair stipulated in the preceding paragraph, the parties to the transaction shall take effective measures such as terminating the guarantee ahead of schedule.

Article 18 When the Company and a connected person jointly establish an enterprise, the Company's capital contribution shall be used as the transaction amount, and the provisions of Articles 11 and 12 of these Measures shall apply.

Article 19 Where the Company incurs a connected transaction with its connected person on account of the waiver of right, the provisions of Articles 11 and 12 of these Measures shall apply in accordance with the standard stipulated in Article 6.1.14 of the Rules Governing the Listing of Stocks.

Article 20 When the relevant arrangement for the transaction between the Company and a connected person involves a possible payment or collection of consideration or

another conditionally determined amount in the future, the transaction amount shall be the expected biggest amount and be subject to Articles 11 and 12 of these Measures.

Article 21 The following connected transactions successively incurred by the Company within 12 months shall be subject to Articles 11 and 12 of these Measures respectively in accordance with the principle of cumulative calculation:

(I) Transactions with the same connected person;

(II) Transactions connected to the same type of transaction subjects with different connected persons.

The above-mentioned same connected person includes other connected persons controlled by the same entity or having equity control relationship with each otheh o()]TJ 03.6080 Td (

(I) For the daily connected transaction agreement which has been considered and approved by the Board of Directors or the General Meeting and is being executed, if there is no significant change in the main terms during the execution, the Company shall disclose the actual performance of the relevant agreement as required in the annual report and interim report, and state whether it conforms to the provisions of the agreement. If the main terms of the agreement change significantly during the execution of the agreement or the agreement needs to be renewed upon expiration, the Company shall submit the newly revised or renewed daily connected transaction agreement to the Board of Directors or General Meeting for consideration and approval based on the transaction amount involved in the agreement. If there is no specific transaction amount in the agreement, it shall be submitted to the General Meeting for consideration and approval;

(II) For a daily connected transaction that happens for the first time, the Company shall perform the review procedure and disclose it in a timely manner in accordance with the total transaction amount involved in the agreement. If the agreement doesn't specify a specific total amount, it shall be submitted to the General Meeting for deliberation. If the agreement incurs material changes to the major clauses during the performance or the agreement shall be renewed upon expiration, the preceding provision of this paragraph shall prevail;

(III) The Company can reasonably estimate the daily connected transaction amount by type for a specific year, perform the review procedure and disclose the same. If the actually implemented amount exceeds the estimated amount, the Company shall perform the review procedure again and disclose it based on the excess amount;

(IV) The Company shall summarize and disclose the actual performance of daily connected transactions by type in the annual report and interim report;

(V) If the agreement on daily connected transactions signed by the Company and a connected person involves a term of longer than 3 years, the Company shall perform the relevant review procedure and disclosure obligation again every 3 years.

Article 24 The Company shall, depending on the type of connected transaction,

disclose particulars of connected transaction in accordance with the relevant requirements of the SSE, including the counterparty, the subject of the transaction, a description of the relationship between the parties to the transaction and the basic information of the connected persons, the main contents of the transaction agreement, the pricing and the basis for pricing, the approval documents of competent authorities (if any), the opinion of intermediary organizations (if applicable).

Article 25 Where any related obligations, disclosure, and deliberation requirements applicable to transactions between the Company and connected persons are not specifically covered by these Measures, the provisions of Section 1 of Chapter 6 of the Shares Listing Rules shall apply.

Section II Joint Investments with Connected Persons

Article 26 When the Company and a connected person make a joint investment, or increase or reduce the capital of an enterprise receiving the joint investment, depending on the amount of the Company's investment, capital increase or capital reduction, the Articles 11 and 12 of these Measures shall apply.

Article 27 In case a connected person of the Company initiates a unilateral capital increase or reduction in an enterprise under control by or with equity participation by the Company, and such transaction involves a waiver of rights, the provisions pertaining to the waiver of right shall apply. If such transaction doesn't involve a waiver of rights, but it may have a significant impact on the Company's financial condition and operating results or cause changes in the Company's relationship with the entity, the Company shall make timely disclosure.

Article 28 If the Company and its connected persons make a cash capital injection in the same proportion and for the same consideration into the connected joint venture controlled by the Company, and the capital increase meets the standard that it shall be submitted to the General Meeting for deliberation, it can be exempted from the audit or

appraisal in accordance with the connected provision in the Shares Listing Rules.

Section III Daily Connected Transactions

Article 29 The Company shall expect daily connected transactions in respect of counterparty, transaction type and other dimensions when doing that in accordance with the relevant provision of Article 24 of these Measures.

If there is a large number of connected persons and it is hard for the Company to disclose the information of all connected persons, the Company may simplify the disclosure after specifying the reason in full. In particular, if the transaction amount with one legal person is expected to reach the disclosure standard stipulated by Articles 11 and 12 of these Measures, the Company shall separately disclose the information of the connected person and the expected transaction amount, and consolidate and present the aforesaid information on the other legal person entities under common control.

When the Company expects the daily connected transactions and applies the provision that the actual implementation amount exceeds the expected amount, the Company shall compare the consolidated amount of all types of connected transactions with all connected persons under common control to the corresponding expected total amount. The connected transaction amounts of different connected persons not under common control with the Company shall not be consolidated.

Article 30 When the Company entrusts a connected person to sell various products and commodities produced or operated by the Company or is entrusted by a connected

transaction subject is a corporate equity, the Company shall disclose the basic information of the target company and its major financial indicators in the most recent year and one period.

The Company shall disclose the basic information on the asset appraisal, capital increase, capital reduction or restructuring, if any, that has happened to the target company in the most recent 12 months.

Article 32 If the Company shall submits an asset purchase from a connected person to the General Meeting for deliberation in accordance with provisions and the transaction price represents a premium of more than 100% over the book value of the transaction subject, but the counterparty doesn't provide a profit guarantee, commitment of compensation or commitment of repurchase for the transaction subject within a certain period of time, the Company shall explain the specific reason, whether to take relevant security measures and whether the transaction will conduce to protecting the interests of the Company and lawful rights and interests of the minority shareholders.

Article 33 If a controlling shareholder, de facto controller or any other connected person occupies the fund other than the working capital of the Company after the completion of an asset purchase or sale transaction of the Company, the Company shall provide an explicit solution in the announcement and resolve this issue before implementing the relevant transaction.

Chapter 4 Exemption of Disclosure and Decision-making Procedure for Connected Transactions

Article 34 When the Company and connected persons conclude the following connected transactions, they may be exempted from consideration and disclosure as connected transactions:

(I) A transaction whereby the Company will obtain unilateral interests without paying any consideration or bearing any auxiliary obligation, including without limitation to the acceptance of donated cash assets, acquisition of debt relief, and acceptance of guarantee and financial assistance without consideration;

(II) A connected person offers funds to the Company at an interest rate that is not higher than the interest rate quotation in the loan market, and the Company will not have to provide a guarantee;

(III) Either party subscribes in cash for shares, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;

(IV) Either party, as a member of the underwriting syndicate, underwrites the stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;

(V) Either party receives dividends, bonuses or remuneration in accordance with the resolution of the other party's General Meeting;

(VI) One party participates in a public bidding or auction of the other party, except that it is difficult to produce a fair price through bidding or auction;

(VII) The Company provides products and services for connected natural persons stipulated in Article 7 (II) to (IV) of these Measures upon the same transaction conditions as those for unconnected persons;

(VIII) The pricing of connected transactions is stipulated by the State;

(IX) Other transactions identified by the SSE.

Chapter 5 Pricing of ConnectedTransactions

Article 35 The pricing of connected transactions of the Company shall be fair, and

applied;

(II) Where the government-guided price is applied to the transactions, the transaction price may be reasonably determined within the range of the government-guided price;

(III) Where there are comparable market prices or charging standards of an independent third party for transactions except government pricing or government-guided prices, the transaction price may be determined by reference to such prices or standards in priority;

(IV) Where there is no comparable market price of an independent third party for transactions, the transaction price may be determined by reference to the price of unconnected transactions between the connected person and a third party independent of the connected person;

(V) Where there is neither a market price of an independent third party nor an independent unconnected transaction price for reference, a reasonable constructed price may be used as the basis for pricing, and the constructed price shall be the reasonable cost plus reasonable profit.

Article 36 The Company may adopt the following pricing methods depending on different connected transactions when determining the price of connected transactions according to items (III), (IV) or (V) of the preceding Article:

(I) The cost plus method: which is based on the reasonable costs incurred in connected transactions plus the gross profit of comparable unconnected transactions; It is applicable to the purchase, sales, transfer and use of tangible assets, rendering of labor services, financing and other connected transactions;

(II) The resale price method: the price resold by the connected person to an unconnected person after it purchases the commodity is deducted by the gross profit of the unconnected transaction as the fair transaction price for the commodity purchased by the connected person. It is applicable to the simple processing or pure purchase-sales business where the reseller doesn’t perform the substantive value-added processing to

for the same or similar business activities as connected transactions between unconnected persons; It is applicable to all types of connected transactions;

(IV) The method of net profit for transactions: in which the net profit of connected transactions shall be determined by the profit indicator of comparable unconnected transactions; It is applicable to the purchase, sales, transfer and use of tangible assets, rendering of labor services and other connected transactions;

(V) The profit split method: the amount of profit to be distributed shall be calculated according to the respective contribution of the Company and its connected persons to the consolidated profits of connected transactions. It is applicable when the connected transaction among the participants is highly integrated and thus made it hard to appraise the transaction results of these participants separately.

Article 37 Where the connected transaction of the Company cannot be priced according to the above principles and methods, the principle and method for determining the price of the connected transaction shall be disclosed, and the fairness of the pricing shall be explained.

Chapter 6 Supplementary Provisions

Article 38 These Measures shall be formulated by the Board of Directors and validated as of the date of approval by the General Meeting.

Article 39 Any unresolved matter under these Measures shall be governed by relevant laws, regulations, normative documents, and the Articles of Association. In case of any conflict between these Measures and relevant laws, regulations, normative documents, and the Articles of Association, the latter shall prevail.

Article 40 Terms of “more than” and “less than” used in these Measures shall include the number itself, while the terms “beyond” and “above” used shall not include the

number itself.

Article 41 These Measures shall be interpreted by the Board of Directors.