Ad hoc announcement pursuant to Art. 53 LR

Ningbo Shanshan Co., Ltd.

Announcement on Receipt of Decision Letters on Administrative Regulatory Measures of the Ningbo Regulatory Bureau of China Securities Regulatory Commission

Recently, Ningbo Shanshan Co., Ltd. (hereinafter referred to as the "Company") received [2024] No. 31 Decision Letters on Administrative Regulatory Measures issued by the Ningbo Regulatory Bureau of China Securities Regulatory Commission (hereinafter referred to as the "Ningbo Securities Regulatory Bureau"). The Ningbo Securities Regulatory Bureau has taken administrative regulatory measures to the Company and the related persons by way of issuing warning letters. The relevant content is hereby announced as follows:

I. Major Contents of the Decision Letters on Administrative Regulatory Measures

"Upon investigation, the following violations were identified for Ningbo Shanshan Co., Ltd. (hereinafter referred to as "Shanshan" or the "Company"):

Firstly, appropriation of non-operating capital by a controlling shareholder was not disclosed in a timely manner. Upon investigation, Shanshan Holding Co., Ltd. (hereinafter referred to as "Shanshan Holding"), the controlling shareholder of Shanshan, has been found to be appropriating capital of Shanshan through advance payment for purchase and project. The amount appropriated in total from January 2022 to April 2024 was RMB1,788 million, of which RMB830 million was appropriated in January to June 2022, and the balance was 0; the amount appropriated throughout the year 2022 was RMB830 million, and the balance was 0; the amount appropriated in January to June 2023 was RMB450 million, and the balance was RMB171 million; the amount appropriated throughout the year 2023 was RMB808 million, and the balance was 80 million; the amount appropriated in January to April 2024 was RMB150 million,

and the balance was 0. The interest of the aforesaid capital appropriation in 2022, the amounts appropriated in 2023 and 2024 and their appropriation interest have been fully repaid by Shanshan Holding prior to the issuance of the 2023 annual report. Shanshan failed to disclose the non-operating capital appropriation by the controlling shareholder from January 2022 to June 2023 in its half-year report of 2022, the annual report of 2022, the half-year report of 2023 and other regular reports, which resulted in omission of disclosure of the relevant information in the aforesaid regular reports.

Shanshan's above behaviors violated the provisions of Clause 1 under Article 3 of the Administrative Measures for Information Disclosure by Listed Companies (CSRC Order No. 182), Item 2 and Item 4 under Article 5 of the Regulatory Guidelines for Listed Companies No. 8 – Regulatory Requirements for Fund Transfer and External Guarantee of Listed Companies (CSRC Announcement [2022] No. 26), Clause 1 under Article 45 of the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 – Contents and Formats of Annual Reports (CSRC Announcement [2021] No. 15), and Article 32 of the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 3 – Contents and Formats of Interim Reports (CSRC Announcement [2021] No. 16). The Company's chairman, responsible director and deputy general manager, chief financial officer, and board secretary failed to perform their duties diligently and were responsible for the Company's above-mentioned violat2(e)4(n)4(t)c Therefore, they have violated Article 4 and Article 51 of the Administrative Measures for Information Disclosure by Listed Companies (CSRC Order No. 182).

Secondly, certain related party trantct2(e)4(n)4(t) were not subject to approval procedures and were not promptly disclosed to the public. F2rst, Shantn paid

promptly as required. Second, Shanshan paid RMB600 million to the related party Shanghai Junsheng Tongda Real Estate Co., Ltd. ( ) as a pre-payment for purchasing property on 25 January 2024, which also constituted a related party transaction, however, Shanshan neither convened a board meeting for consideration and approval, nor made disclosure to the public promptly as required.

Shanshan’s above behaviors violated the provisions of Clause 1 under Article 3 and Article 41 of the Administrative Measures for Information Disclosure by Listed Companies (CSRC Order No. 182), as well as Article 74 of the Code of Corporate Governance for Listed Companies (CSRC Announcement [2018] No. 29). The Company's chairman, responsible director and deputy general manager, chief financial officer, and board secretary failed to perform their duties diligently and were responsible for the Company's above-mentioned violations. Therefore, they have violated Article 4 and Article 51 of the Administrative Measures for Information Disclosure by Listed Companies (CSRC Order No. 182).

In response to the aforementioned violations, in accordance with Clause 2 of Article 170 of the Securities Law, Article 52 of the Administrative Measures for Information Disclosure by Listed Companies (CSRC Order No. 182) and Article 23 of the Regulatory Guidelines for Listed Companies No. 8 – Regulatory Requirements of Fund Transfer and External Guarantee of Listed Companies (CSRC Announcement [2022] No. 26), the Bureau has decided to take the administrative supervisory measure by issuing this warning letter to Shanshan and the Company’s chairman Zheng Ju, director and deputy general managers Li Fengfeng, chief financial officer Li Keqin, and board secretary Chen Ying, which will be recorded in the integrity file of the securities and futures market. The Company and the personnel concerned should learn a lesson, strengthen the learning of security laws and regulations, improve the awareness of standardized operation, earnestly perform the duty of due diligence, prevent the recurrence of similar non-compliance, ensure the truthfulness, accuracy, completeness, timeliness and fairness of information disclosure, and submit a written report to the Bureau within 30 days after the receipt of these decision letters.