

Ad hoc announcement pursuant to Art. 53 LR

Ningbo Shanshan Co., Ltd.

Announcement on supplementary and proposed supplementary share pledge for non-public offering of convertible corporate bonds by the controlling shareholder

Important Notice:

● Shanshan Group Co., Ltd. ("Shanshan Group") holds 782,222,036 shares of Ningbo Shanshan Co., Ltd. (the Company), accounting for 34.75% of the total share capital of the Company. Prior to the share pledge, Shanshan Group has pledged 512,363,870 shares of the Company, accounting for 65.50% of the total shares of the Company it holds and 22.63% of the total share capital of the Company. After the share pledge, Shanshan Group will have 520,493,870 shares of the Company pledged (including the shares pledged this time), accounting for 67.69% of the total shares of the Company it holds and 23.39% of the total share capital of the Company.

According to the relevant provisions of Shanshan Group's Prospectus for Issuance of Non-public Offering of Convertible Corporate Bonds (the First Tranche, 2022) to Professional Investors and the Prospectus for Issuance of Non-public Offering of Convertible Corporate Bonds (the Fourth Tranche, 2022) to Professional Investors, Shanshan Group has pledged 108 million and 52 million unrestricted outstanding shares of the Company to LC Securities Co., Ltd. to provide guarantee for share conversion and repayment of current bonds of the holders of "22 Shan EB1" and "22 Shan EB4" convertible corporate bonds. Please refer to the relevant announcements of the Company on Company's official website (www.ssgf.net) on August 19, 2022, September 29, 2022, October 4, 2022 and November 5, 2022 for details)

At present, the Company has received the notice from Shanshan Group. In accordance with relevant agreements and guarantee situation of the "22 Shan EB1" and "22 Shan EB4" bonds, Shanshan Group has intended to pledge 10.68 million and 6.45 million supplementary unrestricted outstanding shares of the Company it holds to the trustee for the bonds and transferred these shares separately to the "Shanshan Group Co., Ltd. -Special pledge account for non-public offering of convertible corporate bonds (2022) to professional investors" and "Shanshan Group Co., Ltd.

Special pledge account for non-public offering of convertible corporate bonds (the fourth tranche, 2022) to professional investors opened by Shanshan Group and the trustee at China Securities Depository & Clearing Corporation Limited Shanghai Branch. It has intended to provide supplementary guarantee for share conversion and the repayment of this bond for the holders of convertible corporate bonds. The details are as follows:

1. Basic information of the share pledge

Name of shareholder	Whether it is the controlling shareholder	Number of shares pledged this time (shares)	Whether they are restricted shares	Whether it is a supplement pledge	Pledge starting date	Pledge ending date	Pledgee	Proportion in the shares it holds (%)	Proportion in the total share capital of the Company (%)	Use of pledge financing funds
Shanshan Group	Yes	10,680,000	No	Yes	In Process	In Process	LC Securities	1.37	0.47	To provide supplementary guarantees for share conversion of the 2022 "Shan EB1" convertible corporate bond holders and the principal and interest repayment of this Bond
Shanshan Group	Yes	6,450,000	No	Yes	10 March 2023	Until the date of cancellation of pledge registration	LC Securities	0.82	0.28	To provide supplementary guarantees for share conversion of the 2022 "Shan EB4" convertible corporate bond holders and the principal and interest repayment of this Bond

In the pledged shares mentioned above, the pledge procedure of 10.68 million shares of unrestricted outstanding shares provide supplementary guarantees for share conversion of the “22 Shan EB1” convertible corporate bond holders and the principal and interest repayment of this bond is in progress. After the completion of the process, the number of shares transferred by Shanshan Group to Shanshan Group Co., Ltd. - Special pledge account for public offering of convertible corporate bonds (2022) to professional investors will reach a total of 118.68 million shares, accounting for 5.24% of the total share capital of the Company. After Shanshan Group completes the supplementary pledge procedures of the above shares, the Company will timely fulfill the obligation of information disclosure in accordance with relevant laws and regulations.

2. The pledged shares shall not be used as guarantee or other safeguard purposes for the performance compensation of major assets restructuring.

3. Share pledges by the shareholders

After the completion of this pledge, the share pledges by the above shareholder and its persons acting in concert are as follows:

Name of shareholder	Number of shares held (shares)	Shareholding ratio (%)	Number of shares pledged prior to the current pledge (shares)	Number of shares pledged after the current pledge (shares)	Proportion in the shares it holds (%)	Proportion in the total share capital of the Company (%)	The pledged shares (shares)		The unpledged shares (shares)	
							Number of restricted shares in the pledged shares	Number of frozen shares in the pledged shares	Number of restricted shares in the unpledged shares	Number of frozen shares in the unpledged shares
Zheng Yonggang	655,267	0.03	0	0	0	0	0	0	0	0
Shanshan Holdings Co., Ltd.	72,212,189	3.19	0	0	0	0	0	0	0	63,391,443
Shanshan Group	782,222,036	34.55	512,363,870	529,493,870	67.69	23.39	78,420,000	0	126,844,756	40,441,711

Name of shareholder	Number of shares held (shares)	Shareholding ratio (%)	Number of shares pledged prior to the current pledge (shares)	Number of shares pledged after the current pledge (shares)	Proportion in the shares it holds (%)	Proportion in the total share capital of the Company (%)	The pledged shares (shares)		The unpledged shares (shares)	
							Number of restricted shares in the pledged shares	Number of frozen shares in the pledged shares	Number of restricted shares in the unpledged shares	Number of frozen shares in the unpledged shares
Ningbo Pengze Trading Co., Ltd.	205,264,756	9.07	78,420,000	78,420,000	38.20	3.46	78,420,000	0	126,844,756	0
Ningbo Yinzhou Jielun Investment Co., Ltd.	77,873,254	3.44	29,580,000	29,580,000	37.98	1.31	29,580,000	0	48,293,254	0
Total	1,138,227,502	50.28	620,363,870	637,493,870	56.01	28.16	186,420,000	0	301,982,766	103,833,154

4. Other descriptions of the pledged shares by the controlling shareholder

Shanshan Group has no pledged shares that will mature in the next six months, pledged shares that will mature in the next twelve months (including the maturity within six months). At present, Shanshan Group operates normally, has a good credit standing as well as sufficient risk control capability and there is no risk of liquidation or forced liquidation of the pledged shares.

Shanshan Group does not infringe on the interests of listed companies through occupation of operating capital, illegal guarantees and connected transactions. The pledge of shares is expected to have no impact on the Company's production and operation as well as corporate governance.

The Company will fulfill the obligation of information disclosure in a timely manner in strict accordance with relevant laws and regulations.

Investors are advised to pay attention to investment risks.

It is hereby announced.

Board of Directors of Ningbo Shanshan Co., Ltd.

13 March 2023