

**Ningbo Shanshan Co., Ltd.**  
**Announcement on the Company's 2022 Share**  
**Options and Restricted Share Incentive Plan to**  
**Adjust the Relevant Equity Price**

**Important Notice:**

- **Share Option Exercise Price: adjusted to RMB27.35 per share**
- **Repurchase Price of Restricted Share: adjusted to RMB13.26 per share or RMB13.26 per share plus the sum of bank deposit interest in the same period**

On 6 June 2024, Ningbo Shanshan Co., Ltd. (the "Company") convened the 10th meeting of the 11th session of the Board of Directors and the 9th meeting of the 11th session of the Board of Supervisors, and the Proposal on the Company's 2022 Share Option and Restricted Share Incentive Plan to Adjust the Relevant Equity Price was considered and approved. According to the authorization of the First Extraordinary General Meeting of the Company in 2022, this proposal does not need to be submitted to the Company's General Meeting for review. The relevant matters are explained as follows:

**1. Decision-making Procedures and Information Disclosure Performed by the 2022 Share Options and Restricted Shares Incentive Plan**

(1) On 23 February 2022, the Company held the Twenty-fifth Meeting of the Tenth Session of the Board of Directors and the Sixteenth Meeting of the Tenth Session of the Supervisory Committee, and considered and passed the Proposal on the 2022 Share Options and Restricted Share Incentive Plan (Draft) of Ningbo Shanshan Co. Ltd. and Its Summary, the Proposal on the Measures for Management of Appraisal for the Implementation of the 2022 Share Options and Restricted Share Incentive Plan of Ningbo Shanshan Co. Ltd. and other related proposals. The independent directors of

the Company expressed their written consent to the Company's 2022 Share Options and Restricted Share Incentive Plan (the "Incentive Plan" or "Share Incentive Plan") and other related proposals, Beijing Tian Yuan Law Firm issued a legal opinion and Huatai United Securities Co., Ltd. issued an independent financial advisory opinion on the aforesaid matter.

(2) From 24 February to 5 March 2022, the Company publicized the names and 2 positions of the proposed Incentive Recipients of this Incentive Plan in the internal office system, and the Supervisory Committee of the Company did not receive any objection related to the Incentive Recipients of this Incentive Plan during the public period. On 7 March 2022, the Supervisory Committee of the Company published the Explanation of the Supervisory Committee of Ningbo Shanshan Co., Ltd. on the Review and Publication Response Regarding the List of Incentive Recipients of the 2022 Share Options and Restricted Share Incentive Plan.

(3) On 14 March 2022, the Company held the First Extraordinary General Meeting of 2022 and considered and passed the Proposal on the 2022 Share Options and Restricted Share Incentive Plan (Draft) of Ningbo Shanshan Co. Ltd. and Its Summary, the Proposal on the Measures for Management of Appraisal for the Implementation of the 2022 Share Options and Restricted Share Incentive Plan of Ningbo Shanshan Co. Ltd. and other related proposals. Beijing Tian Yuan Law Firm attended and witnessed this General Meeting.

(4) On 18 March 2022, the Company held the Twenty-sixth Meeting of the Tenth Session of the Board of Directors and the Seventeenth Meeting of the Tenth Session of the Supervisory Committee, and considered and passed the Proposal on Adjusting the List of Incentive Recipients of the Company's 2022 Share Options and Restricted Share Incentive Plan and the Proposal on the First Grant of Share Options to Incentive Recipients under the Company's 2022 Share Options and Restricted Share Incentive Plan. Beijing Tian Yuan Law Firm issued a legal opinion on the matter and Huatai United Securities Co., Ltd. issued an independent financial advisory opinion on matters related to the first grant of share options.

(5) On 5 May 2022, the Company completed the registration procedures for the

first grant of share options under the 2022 Share Options and Restricted Share Incentive Plan at the China Securities Depository and Clearing Corporation Limited Shanghai Branch (the “CSDC Shanghai Branch”). The actual amount of Incentive Recipients for the first grant of share options was 435, the number of grants was 45.01 million, the exercise price was RMB28.18/share, and the registration completion date was 5 May 2022.

(6) On 26 May 2022, the Company held the Thirtieth Meeting of the Tenth Session of the Board of Directors and the Twentieth Meeting of the Tenth Session of the Supervisory Committee, and considered and passed the Proposal on Adjusting the Exercise Price of Share Options and Canceling Certain Share Options under the Company’s 2022 Share Options and Restricted Share Incentive Plan, the Proposal on 3 Adjusting the List of Incentive Recipients, Grant Price and Grant Amount of Restricted Shares under the Company's 2022 Share Options and Restricted Share Incentive Plan and other related proposals. The independent directors of the Company issued a written consent opinion in this regard, the Supervisory Committee issued an audit opinion on the above matters, Beijing Tian Yuan Law Firm issued a legal opinion on the above matters and Huatai United Securities Co., Ltd. issued an independent financial adviser opinion on matters related to the first grant of restricted shares.

(7) On 6 June 2022, the Company completed the registration procedures for the first grant of restricted shares under the 2022 Share Options and Restricted Share Incentive Plan at the CSDC Shanghai Branch. The actual amount of Incentive Recipients for the first grant of share options was 417, the number of grants was 18,334,100, the grant price was RMB13.76/share, and the registration completion date was 6 June 2022.

On June 21, 2022, the Company completed the relevant modified registration procedures for the first grant of share options in the 2022 Share Options and Restricted Share Incentive Plan in CSDC Shanghai Branch. After this change, the incentive persons for the first grant of share options in the Company's equity Incentive Plan were adjusted from 435 to 430, The number of share options granted for the first time but not yet exercised has been adjusted from 45,010,000 to 44,520,000, and the exercise price

has been adjusted to RMB27.85 per share.

(8) On 11 August 2022, the Company held the Thirty-third Meeting of the Tenth Session of the Board of Directors and the Twenty-first Meeting of the Tenth Session of the Supervisory Committee, and considered and passed the Proposal on Adjusting Part of the Performance Appraisal Targets under the Company's 2022 Share Options and Restricted Share Incentive Plan and Amendment to Related Documents, agreeing that the Company adjusts part of the performance appraisal targets under the 2022 Share Options and Restricted Share Incentive Plan in conjunction with the actual situation. The independent directors of the Company issued a written consent opinion in this regard, the Supervisory Committee issued an audit opinion on the above matters, Beijing Tian Yuan Law Firm issued a legal opinion on the above matters and Huatai United Securities Co., Ltd. issued an independent financial adviser opinion on the above matters.

On August 29, 2022, the Company held the Third Extraordinary General Meeting of shareholders in 2022, which reviewed and passed the Proposal on Adjusting Part of the Performance Appraisal Targets under the Company's 2022 Share Options and Restricted Share Incentive Plan and Amendment to Related Documents. Beijing Tianyuan Law Firm attended and witnessed the General Meeting.

(9) On March 15, 2023, the Company disclosed the Announcement on the Invalidation of Reserved Rights and Interests in the 2022 Share Options and Restricted Shares Incentive Plan. The 3.92 million share options and 1.68 million restricted shares reserved in the 2022 Share Options and Restricted Shares Incentive Plan of the Company were not specified about incentive persons within 12 months after the incentive plan was reviewed and approved at the First Extraordinary General Meeting of the Company in 2022, and the reserved options/restricted shares were invalid.

(10) On 2 August, 2023, the Company held the second meeting of the 11th Board of Directors and the second meeting of the 11th Board of Supervisors, reviewed and passed the Proposal on Adjusting the Relevant Equity Price, Cancelling Certain Share Options and Repurchasing and Cancelling Certain Restricted Shares in the Company's 2022 Share Options and Restricted Shares Incentive Plan. The independent directors of the Company have expressed written agreement on this matter, and the Board of Supervisors has issued an audit opinion on the above matter. Beijing Tianyuan Law

Firm has issued a legal opinion on the above matter.

(11) On September 11, 2023, the Company completed the relevant registration procedures for adjusting the exercise price of share options and canceling certain share options in this incentive plan at the CSDC Shanghai Branch. After this change, the incentive persons for the share options in the Company's equity Incentive Plan were adjusted from 430 to 410. The number of share options granted but not yet exercised has been adjusted from 44,520,000 to 32,083,800, and the exercise price has been adjusted to RMB27.55 per share.

On October 16, 2023, the Company completed the relevant registration procedures for repurchase and cancellation of certain restricted shares in this incentive plan at the CSDC Shanghai Branch. After this change, the incentive persons for the restricted shares in the Company's equity Incentive Plan were adjusted from 417 to 403. The number of restricted shares granted but not yet released has been adjusted from 18,334,100 to 13,353,375, and the repurchase price is adjusted to RMB13.46 per share or RMB13.46 per share plus the sum of bank deposit interest over the same period.

(12) On October 30, 2023, the Company held the Fifth Meeting of the Eleventh Session of Board of Directors and the Fifth Meeting of the Eleventh Session of Board of Supervisors, considered and passed the Proposal on the Company's 2022 Share Options and Restricted Share Incentive Plan of Cancellation of Certain Share Options and Repurchase and Cancellation of Certain Restricted Shares, and agreed to cancel (repurchase) share options and restricted shares held by the incentive persons due to resignation or retirement. The independent directors of the Company issued written consent. The Board of Supervisors of the Company issued an audit opinion on the above matters, and Beijing Tianyuan Law Firm issued a legal opinion on the above matters.

(13) On December 14, 2023, the Company completed the relevant registration procedures for cancellation of certain share options in this incentive plan at the CSDC Shanghai Branch. After this change, the incentive persons for the share options in the Company's equity Incentive Plan were adjusted from 410 to 380. The number of share options granted but not yet exercised has been adjusted from 32,083,800 to 30,114,210.

On December 26, 2023, the Company completed the relevant registration procedures for repurchase and cancellation of certain restricted shares in this incentive plan at the CSDC Shanghai Branch. After this change, the incentive persons for the restricted shares in the Company's equity Incentive Plan were adjusted from 403 to 374. The number of restricted shares granted but not yet released has been adjusted from

13,353,375 to 12,583,965.

(14) On April 24, 2024, the Company held the Eighth Meeting of the Eleventh Session of Board of Directors and the Seventh Meeting of the Eleventh Session of Board of Supervisors, considered and passed the Proposal on the Company's 2022 Share Options and Restricted Share Incentive Plan of Cancellation of Certain Share Options and Repurchase and Cancellation of Certain Restricted Shares, and agreed to cancel (repurchase) the share options and restricted shares corresponding to the incentive objects who fail to achieve the performance assessment indicators for the exercise/release of second restricted sales period and the disqualification of the incentive objects due to resignation or retirement. The Remuneration and Assessment Committee of the Board of Directors of the Company issued a written consent on this matter, the Board of Supervisors of the Company issued an audit opinion on the above matters, and Beijing Tianyuan Law Firm issued a legal opinion on the above matters.

(15) On June 6, 2024, the Company held the Tenth Meeting of the Eleventh Session of Board of Directors and the Ninth Meeting of the Eleventh Session of Board of Supervisors, considered and passed the Proposal on the Company's 2022 Share Options and Restricted Share Incentive Plan to Adjust the Relevant Equity Price. The Remuneration and Assessment Committee of the Board of Directors of the Company has issued a written agreement on this matter, the Board of Supervisors of the Company has issued an audit opinion on the above matter, and Beijing Tianyuan Law Firm has issued a legal opinion on the above matter.

## **2. Reasons and Circumstances of the Adjustment of the Relevant Equity Prices**

### **(1) Reasons for Adjustment**

On 16 May 2024, the 2023 Annual Shareholders' Meeting of the Company approved the Proposal on the 2023 Annual Profit Distribution Plan, agreeing to distribute a cash dividend of RMB2.00 (including tax) to all shareholders for every 10 shares based on the number of shares to be distributed on the registration date of equity distribution (total share capital minus the total number of shares in the Company's repurchase special account) in 2023.

The above equity distribution was implemented on June 6, 2024.

### **(2) Adjustment situation**

1) Adjustment of exercise price for share options

According to the provisions of this Incentive Plan, if there are any matters such as dividend distribution, capital reserve conversion to share capital, distribution of stock dividends, stock split, allotment or reduction before exercise, the exercise price shall be adjusted accordingly.

Considering that the equity distribution of the Company for the year 2023 has implemented on June 6, 2024, and in accordance with the relevant provisions of this Incentive Plan and the authorization of the first extraordinary shareholders' meeting in 2022, the Board of Directors of the Company has adjusted the exercise price of the share options in this Incentive Plan as follows:

$$P=P_0-V=\text{RMB } 27.55/\text{portion} -\text{RMB } 0.20/\text{portion}=\text{RMB } 27.35/\text{portion}.$$

2) The repurchase price adjustment of restricted shares

According to the provisions of this Incentive Plan, after the completion of share registration of restricted stock granted to incentive persons, if the Company has any matters such as capital reserve conversion to share capital, distribution of stock dividends, stock split, allotment, additional issuance or reduction that affect the total amount of share capital or the Company's share price, the Company shall make corresponding adjustments to the repurchase price of restricted stock that have not been lifted.

Whereas the equity distribution of the Company in 2023 has implemented on June 6, 2024, according to the relevant provisions of this Incentive Plan and the authorization of the Company's First Extraordinary General Meeting in 2022, the Board of Directors of the Company agreed to adjust the repurchase price of restricted shares in this Incentive Plan as follows:

1) The repurchase price of restricted shares that need to be repurchased and cancelled due to retirement and failure of performance appraisal indicators is:

$$P=P_0-V= \text{RMB } 13.46/\text{share plus sum of bank deposit interest for the same period} - \text{RMB } 0.20/\text{share}=\text{RMB } 13.26/\text{share plus sum of bank deposit interest for the same period}.$$

2) The repurchase price of restricted shares that need to be repurchased and cancelled due to resignation is:

$$P=P_0-V=\text{RMB } 13.46/\text{share} - \text{RMB } 0.20/\text{share}=\text{RMB } 13.26/\text{share}.$$

### **3. The Impact of this Adjustment on the Company**

The adjustment of the relevant equity prices complies with the relevant provisions of the Administrative Measures for Equity Incentive of Listed Companies and the 2022

Incentive Plan for Share Options and Restricted Shares of Ningbo Shanshan Co., Ltd. (Revised Draft). It will not have a material impact on the Company's financial condition and operating results.

#### **4. Opinions of the Remuneration and Assessment Committee of the Board of Directors**

The Remuneration and Assessment Committee of the Board of Directors of the Company has conducted a pre audit and issued a written consent on the adjustment of the relevant equity prices. The details are as follows:

The Company's adjustment of the relevant equity prices complied with the relevant provisions of the Measures for the Administration of Equity Incentives for Listed Companies and the 2022 Incentive Plan for Share Options and Restricted Shares of Ningbo Shanshan Co., Ltd. (Revised Draft). There will be no substantial impact on the Company's financial condition and operating results, and there will be no situation that harms the interests of the Company and shareholders. We agree to submit it to the Company's board of directors for review.

#### **5. Opinions of the Board of Supervisors**

The Board of Supervisors believed that when the Board of Directors of the Company reviewed the adjustment of the relevant equity prices, the related directors had avoided voting; According to the authorization of the Company's First Extraordinary General Meeting in 2022, the approval process and content of adjustment of the relevant equity prices are in line with the relevant provisions of the Measures for the Administration of Equity Incentives for Listed Companies and the 2022 Incentive Plan for Share Options and Restricted Shares of Ningbo Shanshan Co., Ltd. in 2022 (Revised Draft), and there is no situation that harms the interests of the Company and shareholders. We agree to the adjustment of the relevant equity prices.

#### **6. Concluding Opinions of Legal Opinions**

Beijing Tianyuan Law Firm has issued a legal opinion on the adjustment of the relevant equity prices in the 2022 incentive plan of share options and restricted shares of the Company, and its concluding opinions are as follows: As of the date of issuance of the legal opinions, the Company's adjustment of the relevant equity prices has obtained necessary authorization and approval at this stage. The adjustment of the relevant equity prices by the Company meets the relevant provisions as stipulated in the Administrative Measures for Equity Incentive of Listed Companies and the Share



Options and Restricted Share Incentive Plan of Ningbo Shanshan Co., Ltd. for the Year  
2022 (Revised Draft).

It is hereby announced.

The Board of Directors of Ningbo Shanshan Co., Ltd.

6 June 2024