

Ad hoc announcement pursuant to Art. 53 LR

Ningbo Shanshan Co., Ltd.

**Announcement on the Progress of Exchangeable
Corporate Bonds Exchange and Equity Changes by
the Controlling Shareholders**

Important Notice:

- This equity change is due to the conversion of the 2022 exchangeable corporate bonds issued by Shanshan Group Co., Ltd. (the "Shanshan Group") to professional investors, which has led to a passive reduction in the shareholding ratio of Shanshan Group in Ningbo Shanshan Co., Ltd. (the "Company" or "Shanshan"). Shanshan Group is the controlling shareholder of the Company. This equity change does not trigger a tender offer.
- This equity change will not result in a change in the Company's control.

On February 13, 2025, the Company received a notice from its controlling shareholder, Shanshan Group, stating that in accordance with the relevant provisions of the "Proposal on the Consent of Bondholders of Partial Bond Exchange" approved at the 2025 First Bondholder Meeting of Shanshan Group's 2022 Non-Public Issuance of Exchangeable Corporate Bonds (Phase 1 to Phase 4) to Professional Investors, the bondholders of "Shanshan Group's 2022 Non-Public Issuance of Exchangeable Corporate Bonds to Professional Investors (Phase 1)" (the "H22 Shan EB1"), "Shanshan Group's 2022 Non-Public Issuance of Exchangeable Corporate Bonds to Professional Investors (Phase 2)" (the "H22 Shan EB2"), "Shanshan Group's 2022 Non-Public Issuance of Exchangeable Corporate Bonds to Professional Investors (Phase 3)" (the "H22 Shan EB3"), "Shanshan Group's 2022 Non-Public Issuance of Exchangeable Corporate Bonds to Professional Investors (Phase 4)" (the "H22 Shan EB4") exchanged a total of 59,439,858 shares at a price of RMB 8.67 per share, and the transfer of ownership was completed on February 13, 2025, resulting in a passive reduction of

2.64% of the holding ratio of the controlling shareholder of the Company. The relevant share exchange situation is announced as follows:

I. Basic Information on the Current Exchange of Exchangeable Corporate Bonds and the Equity Change

Basic Information of the Information Disclosure Obligor	Name	Shanshan Group Co., Ltd.		
	Registered Address	26th Floor, 777 Rili Middle Road, Shounan Street, Yinzhou District, Ningbo, Zhejiang Province		
	Date of Equity Change	February 13, 2025		
Details of Equity Change	Method of Change	Date of Change	Exchange and Reduction of shares (shares)	Ratio of Change (%)
	Exchangeable Corporate Bonds Exchange (H22 Shan EB1)	February 13, 2025	20,615,541	0.91
	Exchangeable Corporate Bonds Exchange (H22 Shan EB2)	February 13, 2025	12,019,855	0.53
	Exchangeable Corporate Bonds Exchange (H22 Shan EB3)	February 13, 2025	16,610,758	0.74
	Exchangeable Corporate Bonds Exchange (H22 Shan EB4)	February 13, 2025	10,193,704	0.45
	Total			59,439,858

II. The Shareholding of the Controlling Shareholder and Its Concerted Action Persons Before and After the Company's Exchangeable Bond Holders Exchanging Shares and the Equity Changes

Name of Shareholders	Before the Current Equity Change		After the Current Equity Change	
	Number of shareholdings (%)	Proportion of shareholdings (%)	Number of shareholdings (%)	Proportion of shareholdings (%)
Zheng, Yonggang	655,267	0.03	655,267	0.03

Shanshan Holdings Co., Ltd.	72,212,189	3.20	72,212,189	3.20
Shanshan Group	782,222,036	34.71	722,782,178	32.08
Ningbo Pengze Trading Co., Ltd.	205,264,756	9.11	205,264,756	9.11
Ningbo Yinzhou Jielun Investment Co., Ltd.	29,580,000	1.31	29,580,000	1.31
Total	1,089,934,248	48.37	1,030,494,390	45.73

III. Other Related Explanations

The current equity change is mainly due to the passive decrease in the shareholding ratio of Shanshan Group caused by the exchangeable bond holders of Shanshan Group exchanged shares. It does not involve a tender offer and there is no violation of relevant regulations and commitments such as the Securities Law, the Administrative Measures on the Acquisition of Listed Companies, and the Rules of the Shanghai Stock Exchange for Listing and other relevant commitments.

After this share exchange, Shanshan Group's 2022 non-public issuance of exchangeable corporate bonds to professional investors has cumulatively converted into 59,439,858 shares, accounting for 2.64% of the Company's total share capital.

After this equity change, Shanshan Group and its concerted action persons hold a total of 1,030,494,390 shares of the Company, accounting for 45.73% of the total share capital. This equity change will not result in a change in the Company's control.

During the share exchange period, there is uncertainty regarding whether holders of exchangeable corporate bonds choose to exchange shares, as well as the specific number and timing of the exchange. The controlling shareholder of the Company, Shanshan Group, will continue to monitor the situation related to its exchangeable corporate bonds and fulfill its information disclosure obligations in accordance with relevant laws and regulations.

At present, the total number of shares of Shanshan pledged and deposited in the

pledge account for Shanshan Group's 2022 non-public issuance of exchangeable corporate bonds to professional investors is 370,540,078 shares, corresponding to 128,514,447 shares, 74,930,136 shares, 103,549,225 shares, and 63,546,270 shares pledged for the first to fourth phase bonds, respectively. Due to litigation involving Shanshan Group, the above-mentioned shares have been frozen (judicial mark) by the Intermediate People's Court of Mianyang, Sichuan Province (the "Mianyang Court"). According to the Civil Ruling issued by the Mianyang Court ((2024) Chuan 07 Min Chu No. 41-10), the Mianyang Court agreed to convert the bonds at a price of RMB 8.67 per share, and the converted shares will be directly transferred to the bondholders in a frozen (judicial mark) state. After the transfer is completed, the freeze on the corresponding shares and dividends held by Shanshan Group will be lifted.

According to the resolution of the first bondholders' meeting in 2025 for the non-public issuance of exchangeable corporate bonds by Shanshan Group to professional investors in 2022, the holders of the first to fourth phase bonds have agreed to authorize the LC Securities Co., Ltd. to apply to the Mianyang Court for a price change of 370,540,078 shares of Shanshan held by the issuer marked by the judiciary through bondholder conversion. According to the ruling of the Mianyang Court, the trustee will promptly carry out the share exchange related matters in the above-mentioned pledge account for this bond, and the subsequent progress will be announced to investors in a timely manner. If all the shares in the pledged special account are converted into shares, the cumulative conversion ratio will reach 19.08%, and the shareholding ratio of Shanshan Group and its concerted action persons will decrease to 29.29%, which is not expected to cause a change in the Company's control.

The Company solemnly reminds investors that the designated media for information disclosure are China Securities Journal, Shanghai Securities Journal, Securities Daily, Securities Times, and the Shanghai Stock Exchange website (www.sse.com.cn). All information of the Company shall be subject to the relevant announcements published on the designated media mentioned above. Investors are advised to invest rationally and pay attention to investment risks.

It is hereby announced.

Board of Directors of Ningbo Shanshan Co., Ltd.

14 February 2025