

Ningbo Shanshan Co., Ltd.
Announcement on Supplementary Shares 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 34.55% of the total share capital of the Company. Prior to completion of the shares pledge, Shanshan Group holds 553,043,870 shares of the Company pledged, accounting for 70.70% of the total shares of the Company it holds and 24.43% of the total share capital of the Company. After completion of the shares pledge, Shanshan Group will have 566,043,870 shares of the Company pledged (including the shares pledged this time), accounting for 72.36% of the total shares of the Company it holds and 25.00% of the total share capital of the Company.

Recently, the Company received the notice from Shanshan Group. In accordance with relevant agreements and guarantee situation of the “22 Shan EB2”, “22 Shan EB3” and “22 Shan EB4” bonds, Shanshan Group planned to pledge 3.00 million, 6.00 million and 4.00 million supplementary unrestricted outstanding shares of the Company it holds to the trustee for the Bonds, and was going through the relevant registration procedures for the pledge. ([Please refer to the relevant announcement of the Company on Company’s official website \(www.ssgf.net\) on August 18, 2023, for details.](#))

On August 22, 2023, Shanshan Group received the relevant pledge certificate issued by China Securities Depository and Clearing Co., Ltd, and the pledge registration procedures had been completed. 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	3,000,000	No	Yes	August 21 2023	Until the date of cancellation of pledge registration	LC Securities	0.38	0.13	To provide supplementary guarantees for share conversion of the “22 Shan EB2” convertible corporate bond holders and the principal and interest repayment of this Bond
Shanshan Group	Yes	6,000,000	No	Yes	August 21 2023	Until the date of cancellation of pledge registration	LC Securities	0.77	0.27	To provide supplementary guarantees for share conversion of the “22 Shan EB3” convertible corporate bond holders and the principal and interest repayment of this Bond

Shanshan Group	Yes	4,000,000	No	Yes	August 21 2023	Until the date of cancellation of pledge registration	LC Securities	0.51	0.18	To provide supplementary guarantees for share conversion of the “22 Shan EB4” convertible corporate bond holders and the principal and interest repayment of this Bond
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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	553,043,870	566,043,870	72.36	25.00	78,420,000	0	126,844,756	40,441,711
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

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 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	661,043,870	674,043,870	59.22	29.77	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, no pledged shares that will mature in the next twelve months (not including the maturity within six months). At present, Shanshan Group operates normally, and has great 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 non-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.

22 August 2023