Ad hoc announcement pursuant to Art. 53 LR

Ningbo Shanshan Co., Ltd.

Announcement on Proposed 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 share 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 share pledge, Shanshan Group will have 566,043,870 shares of the Company pledged (including the shares pledge 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.

According to relevant provisions of Shanshan Group's Prospectus for Issuance of Non-public Offering of Convertible Corporate Bonds (the Second Tranche, 2022) to Professional Investors, Prospectus for Issuance of Non-public Offering of Convertible Corporate Bonds (the Third Tranche, 2022) to Professional Investors and Prospectus for Issuance of Non-public Offering of Convertible Corporate Bonds (the Fourth Tranche, 2022) to Professional Investors, Shanshan Group has respectively pledged 79.85 million, 108.80 million and 66.80 million unrestricted outstanding shares of the Company to LC Securities Co., Ltd. The purpose of the pledge was to provide guarantee for share conversion and repayment of current bonds of the holders of "22 Shan EB2", "22 Shan EB3" and "22 Shan EB4" convertible corporate bonds. (Please refer to the relevant announcements of the Company on Company's official website (www.ssgf.net) 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 EB2", "22 Shan EB3" and "22 Shan EB4" bonds, Shanshan Group has 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 separately transferred these shares to the “Shanshan Group Co., Ltd. – Special pledge account for non-public

1. Basic information of the share pledge

Name of shareholder	Whethe

Shanshan Group	Yes	4,000,000	No	Yes	To be processed	To be processed	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

After the completion of the above shares pledge, the number of shares transferred by Shanshan Group to "Shanshan Group Co., Ltd.-Special pledge account for non-public offering of convertible corporate bonds (the Second Tranche, 2022) to professional investors", "Shanshan Group Co., Ltd. -Special pledge account for non-public offering of convertible corporate bonds (the Third Tranche, 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" will reach 82.85 million, 114.80 million and 70.80 million shares separately, accounting for 3.66%, 5.07% and 3.13% of the total share capital of the Company separately.

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	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
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, 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 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.

18 August 2023