that it will initiate the issuance of fifth tranche of the Bonds in the near future. In accordance with relevant agreements, Shanshan Group has pledged 95,000,000 unrestricted outstanding shares of the Company it holds to the trustee for the Bonds, and transferred these shares to the “Shanshan Group Co., Ltd. - Special pledge account for non-public offering of convertible corporate bonds (the fifth tranche, 2022) to professional investors” opened by Shanshan Group and the trustee at China Securities Depository & Clearing Corporation Limited Shanghai Branch, which will be reserved for providing guarantees for share conversion of the convertible corporate bond holders and the principal and interest repayment of the Bonds. The pledge procedures have been completed at China Securities Depository & Clearing Corporation Limited Shanghai Branch. The details are as follows:

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- Shanshan Group Co., Ltd. (“Shanshan Group”) holds 782,222,036 shares of Ningbo Shanshan Co., Ltd. (“the Company”), including 3.49 million shares for securities lending, accounting for 34.76% of the total share capital of the Company.

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	95,000,000	No	No	7 December 2022	Until the date of cancellation of pledge registration	LC Securities	12.14	4.22	To provide guarantees for share conversion of the convertible corporate bond holders and the principal and interest repayment of the Bonds

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

As of the disclosure date of announcement, 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

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	3.21	0	0	0	0	0	0	0	63,391,443
Shanshan Group	782,222,036	34.76	466,163,870	561,163,870	71. 74	24.94	78,420,000	0	126,844,756	40,441,711
Ningbo Pengze Trading Co., Ltd.	205,264,756	9.12	78,420,000	78,420,000	38.20	3. 48	78,420,000	0	126,844,756	0
Ningbo Yinzhou Jielun Investment Co., Ltd.	77,873,254	3.46	29,580,000	29,580,000	37.98	1. 31	29,580,000	0	48,293,254	0
Total	1,138,227,502	50.58	574,163,870	669,163,870	58. 79	29.74	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 final issuance plan of the convertible bonds of the company will be determined according to the market conditions at the time of issuance. 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.

8 December 2022