Ad hoc announcement pursuant to Art. 53 LR

Ningbo Shanshan Co., Ltd.

Announcement on Shares Pledge by the Controlling Shareholder and the Person Acting in Concert of 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 34.71% of the total share capital (2,253,841,668 shares) of the Company. Prior to completion of the shares pledge, Shanshan Group holds 706,443,870 shares of the Company pledged, accounting for 90.31% of the total shares of the Company it holds and 31.34% of the total share capital of the Company. After completion of the shares pledge, Shanshan Group holds 716,992,036 shares of the Company pledged (including the shares pledged this time), accounting for 91.66% of the total shares of the Company it holds and 31.81% of the total share capital of the Company.
- Ningbo Pengze Trading Co., Ltd. ("Pengze Trading") holds 205,264,756 shares of the Company, accounting for 9.11% of the total share capital of the Company. Prior to completion of the shares pledge, Pengze Trading holds 116,420,000 shares of the Company pledged, accounting for 56.72% of the total shares of the Company it
- Shanshan Group,

Pengze Trading and its persons acting in concert hold a total of 1,138,227,502 shares of the Company, accounting for 50.50% of the total share capital. After this share pledge, Shanshan Group, Pengze Trading and its persons acting in concert have cumulatively pledged 916,536,792 shares (including this time), accounting for 80.52% of the total shares held by them and 40.67% of the total share capital of the Company.

Recently, the Company received a notice from the controlling shareholder Shanshan Group and its person acting in concert Pengze Trading that Shanshan Group and Pengze Trading had separately pledged 10,548,166 shares and 53,544,756 shares of the Company. The details are as follows:

I. The share pledge of the Company

1. Basic information of the share pledge

Name of shareholder

hare pledges by the above shareholder and its persons acting in concert are as follows:

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 frozenshares in the unpledged shares
0	0	0	0	0	0	0
0	0	0	0	0	0	18,471,338
716,992,036	91.66	31.81	205,264,756	0	0	0
169,964,756	82.80	7.54	169,964,756	0	35,300,000	0
29,580,000	37.98	1.31	29,580,000	0	48,293,254	0
916,536,792	80.52	40.67	404,809,512	0	83,593,254	18,471,338

II. The pledged shares by the controlling shareholder

1. The pledged shares due within the next six months of Shanshan Group, the controlling shareholder of the Company, and its person acting in concert are 109.162 million shares, accounting for 9.59% of the total shares of the Company it holds and 4.84% of the total share capital of the Company, and the corresponding financing balance is RMB 807.38 million. There are pledged shares 62.337 million shares due within the next year (excluding within six months), accounting for 5.48% of the total shares of the Company it holds and 2.77% of the total share capital of the Company, the corresponding financing balance is RMB 488 million. In addition to own funds, Shanshan Group will raise funds to repay maturing debts by disposing of assets and other means.

2. At present, Shanshan Group and its person acting in concert do not infringe on the interests of the listed company 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.

3. The controlling shareholder's equity pledge is used for loan, and the repayment funds are expected to come from sources including, in addition to own funds, Shanshan Group will raise funds to repay maturing debts by disposing of assets and other means.

4. Credit status of the controlling shareholder

(1) Basic information

Shanshan Group Co., Ltd., with a registered capital of RMB298.418756 million; Date of establishment: June 28, 1994; Registered address: F/26, 777 Rili Middle Road, Shounan street, Yinzhou District, Ningbo, Zhejiang Province; Legal representative: Zhou Min; Business scope: General items: clothing manufacturing; apparel wholesale; apparel retail; shoes and hats wholesale; shoes and hats retail; hardware wholesale; hardware

product retail; wholesale of sporting goods and equipment; retail of sporting goods and equipment; stationery product wholesale; stationery product retail; daily necessities wholesale; daily necessities sales; cosmetics wholesale; cosmetics retail; wholesale; sales of leather products; sales of clothing accessories; sales of sewing machines; sales of gold and silver products; sales of metal chains and other products; sales of metal

Unit: RMB100,000,000

Note: Data for 2023 is audited, data for 2024 is unaudited.

(3) Solvency Indicators (March 31, 2024, consolidated)

Asset liability ratio	Current ratio	Quick ratio	Cash/current liability ratio	Available financing channc and credit quota	Significant contingent liabilities	Dcbt ovcrdue or dcfault rccord and its corresponding amount	External guarantce

Public Issuance of Corporate Bonds to Qualified Investors in 2020 (Phase I) (No.: Brilliance Tracking (2023) 100504) issued by Shanghai Brilliance Credit Rating & Investors Service Co., Ltd., the main credit rating of Shanshan Group is AA; The credit rating of "20 Shanshan 01" bond is AA and the rating outlook is stable.

According to the Announcement of Shanghai Brilliance on Delayed Disclosure of the Tracking Rating Report of Shanshan Group Co., Ltd. on the Public Issuance of Corporate Bonds to Qualified Investors in 2020 (Phase I) issued by Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. on June 24, 2024, the 2024

5. Transactions between the controlling shareholder and listed company

In 2023, there was no new related party guarantee between the controlling shareholder of the Company, Shanshan Group, and its related parties and the Company. By the end of 2023, Shanshan Group and its related parties had provided a total amount of guarantees for the Company of RMB4.4 billion, with an actual guarantee balance of RMB2.497 billion (including interest). The Company did not provide guarantees for controlling shareholder and their related parties.

In 2023, the controlling shareholder of Shanshan Group, Shanshan Holdings Co., Ltd. (the "Shanshan Holdings"), occupied a total of RMB808 million of the Company funds for non-operating purposes, with a year-end balance of RMB80 million; In January 2024, Shanshan Holdings occupied RMB150 million of Company funds for non-operating purposes. The Company has received all principal and interest of the aforementioned occupied funds at the bank loan interest rate for the same period prior to the disclosure of the 2023 Annual Report.

In 2023, due to the Company's intention to purchase the office building of Junkang Financial Plaza as the Company's headquarter, The Company has a total of RMB520 million of fund transactions with related parties controlled by Shanshan Holdings, with a year-end balance of RMB70 million. In January 2024, the Company made a new prepayment of RMB600 million for the purchase. However, the Board of Directors ultimately determined that a separate decision-making process for related party transactions was required, and the transaction was suspended. Before the disclosure of the 2023 Annual Report, the Company has recovered all prepaid principal and interest at the same period bank interest rate.

In November 2023, the Company received a cumulative transfer of RMB2,713 million from Shanshan Holdings, and immediately returned it to Shanshan Holdings. The above funds are industrial fund loans negotiated by Shanshan Holdings for the Company. Due to significantly higher interest rates than other financing rates available to the Company, therefore conducted the refunds.