

Ningbo Shanshan Co., Ltd.

Announcement on the Resolution of the Ninth Meeting of the Eleventh Session of Board of Supervisors

I. The Meeting of the Board of Supervisors

(I) The Ninth Meeting of the Eleventh Session of Board of Supervisors (BOS) of Ningbo Shanshan Co., Ltd. (the “Company”) was held in accordance with the Company Law of the People's Republic of China, the Articles of Association of Ningbo Shanshan Co., Ltd. and applicable laws and regulations.

(II) Notice of this meeting of the BOS was given in writing on 31 May 2024. With the unanimous consent of all supervisors attending the meeting, a notice of change of the meeting has issued in writing on June 4, 2024, and was held by way of communication voting on June 6, 2024.

(III) This meeting of the BOS was presided by the Convener of the BOS. There were 3 Supervisors should attend the meeting of the BOS, among which, 3 Supervisors actually attended the meeting, and there were no absent Supervisor.

II. Results of the Meeting of the Board of Supervisors

The meeting deliberated and approved the following proposal:

Proposal on the Company's 2022 Share Options and Restricted Share Incentive Plan to Adjust the Relevant Equity Price

(Please refer to official website of the Company for details)

(3 voted in favor, 0 voted against, 0 abstained)

Considering that the Company has implemented the equity distribution for the year 2023 on June 6, 2024, it is agreed to adjust the exercise price of share options granted but not yet exercised under 2022 Share Options and Restricted Share Incentive Plan (the “Incentive Plan”) to RMB27.35 per share, and the repurchase price of restricted shares granted but not yet released to RMB13.26 per share or RMB13.26 per share plus bank deposit interest for the same period. The details are as follows:

(1) Reasons for Adjustment

On 16 May 2024, the 2023 Annual Shareholders' Meeting of the Company

approved the Proposal on the 2023 Annual Profit Distribution Plan, agreeing to distribute a cash dividend of RMB2.00 (including tax) to all shareholders for every 10 shares based on the number of shares to be distributed on the registration date of equity distribution (total share capital minus the total number of shares in the Company's repurchase special account) in 2023.

The above equity distribution was implemented on June 6, 2024.

(2) Adjustment situation

1) Adjustment of exercise price for share options

According to the provisions of this Incentive Plan, if there are any matters such as dividend distribution, capital reserve conversion to share capital, distribution of stock dividends, stock split, allotment or reduction before exercise, the exercise price shall be adjusted accordingly.

Considering that the equity distribution of the Company for the year 2023 has implemented on June 6, 2024, and in accordance with the relevant provisions of this Incentive Plan and the authorization of the first extraordinary shareholders' meeting in 2022, the Board of Directors of the Company has adjusted the exercise price of the share options in this Incentive Plan as follows:

$$P=P_0-V=\text{RMB } 27.55/\text{portion} - \text{RMB } 0.20/\text{portion} = \text{RMB } 27.35/\text{portion}.$$

2) The repurchase price adjustment of restricted shares

According to the provisions of this Incentive Plan, after the completion of share registration of restricted stock granted to incentive persons, if the Company has any matters such as capital reserve conversion to share capital, distribution of stock dividends, stock split, allotment, additional issuance or reduction that affect the total amount of share capital or the Company's share price, the Company shall make corresponding adjustments to the repurchase price of restricted stock that have not been lifted.

Whereas the equity distribution of the Company in 2023 has implemented on June 6, 2024, according to the relevant provisions of this Incentive Plan and the authorization of the Company's First Extraordinary General Meeting in 2022, the Board of Directors of the Company agreed to adjust the repurchase price of restricted shares in this Incentive Plan as follows:

1) The repurchase price of restricted shares that need to be repurchased and cancelled due to retirement and failure of performance appraisal indicators is:

$$P=P_0-V= \text{RMB } 13.46/\text{share plus sum of bank deposit interest for the same period}$$

– RMB 0.20/share=RMB 13.26/share plus sum of bank deposit interest for the same period.

2) The repurchase price of restricted shares that need to be repurchased and cancelled due to resignation is:

$$P=P_0-V=\text{RMB } 13.46/\text{share} - \text{RMB } 0.20/\text{share}=\text{RMB } 13.26/\text{share}.$$

The supervisors attending the meeting believed that: When the Board of Directors of the Company reviewed the adjustment of the relevant equity prices, the related directors had avoided voting; According to the authorization of the Company's First Extraordinary General Meeting in 2022, the approval process and content of adjustment of the relevant equity prices are in line with the relevant provisions of the Measures for the Administration of Equity Incentives for Listed Companies and the 2022 Incentive Plan for Share Options and Restricted Shares of Ningbo Shanshan Co., Ltd. in 2022 (Revised Draft), and there is no situation that harms the interests of the Company and shareholders. We agree to the adjustment of the relevant equity prices.

It is hereby announced.

The Board of Supervisors of Ningbo Shanshan Co., Ltd.

6 June 2024