Ningbo Shanshan Co., Ltd.
Measures for Management of Fundraising

(Revised in 2023)

Chapter 1 General Provisions

Article 1 To regulate the administration and use of the proceeds of Ningbo Shanshan Co., Ltd.(the “Company”), for safeguarding the interests of investors to the maximum extent, the Measures are hereby formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People's Republic of China, the Regulatory Guidelines for Listed Companies No. 2 – Regulatory Requirements for the Management and Use of Proceeds by Listed Companies (2022 Revision), the Rules Governing the Listing of Shares on the Shanghai Stock Exchange, the Guidelines for Self-regulation of Listed Companies on the Shanghai Stock Exchange No. 1

Article 4 The Board of Directors of the Company shall establish internal control rules for the deposit, use and administration of proceeds, clearly specifying the requirements for the deposit, use, alteration, supervision and accountability of proceeds, and the application, hierarchical examination and approval authority, decision-making procedures, risk control measures and information disclosure procedure for the use of proceeds.

The Company shall disclose the internal control rules for the deposit, use and administration of proceeds in a timely manner on the website of the Shanghai Stock Exchange.

Article 5 The Directors, supervisors and senior management of the Company shall diligently perform their duties, urge the Company to regulate the use of proceeds, consciously maintain the security of the Company's proceeds, and shall not participate in, assist or condone the Company to change the use of proceeds without authorization or in disguised form.

Article 6 The Projects shall be neither financial investments such as financial assets held for trading or available for sale, provision of loans and entrusted wealth management, nor direct or indirect investments in companies primarily engaged in the trading of marketable securities.

Chapter 3 Deposit of Proceeds

Article 9 The Company adopts a special account deposit system for the proceeds. The Company shall prudently choose a commercial bank for opening a special account for the proceeds (the "Special Account") , and the proceeds shall be deposited into the Special Account set up with the approval from the Board of Directors for centralized management. The Company shall, within a month subsequent to the receipt of the proceeds, sign a proceeds deposit and escrow agreement with the sponsor or independent financial adviser and the commercial bank where the proceeds are deposited, and disclose promptly an announcement in line with the requirements of the stock exchange. The Special Account shall not be used for funds other than the proceeds or for any other purposes.

If the Company has more than two financings, it shall set up a separate Special Account for each proceeds. The additional raised funds shall also be deposited into the Special Account for management.

Article 10 Upon receipt of the proceeds, the Company shall undertake the fund verification procedures on a timely basis by retaining an accounting firm to issue a fund verification report, and deposit the total amount of proceeds into the Special Account on a timely and complete basis.

Article 11 All of the proceeds must be centrally deposited, including the funds that have not yet been put into use, the temporarily idle funds that are planned for investment in batches, and the remaining funds of the Projects, into the Special Account opened by the Company with a bank in order to ensure the safety of the proceeds.

Chapter 4 Use of Proceeds

Article 12 The Company shall comply with the following requirements in utilizing the

proceeds:

(I) The Company shall clearly specify the requirements for the application, hierarchical examination and approval authority, decision-making procedures, risk control measures and information disclosure procedures for the use of proceeds;

(II) The Company shall use the proceeds in accordance with the use plan of proceeds as committed in the offering application documents;

(III) Where any circumstances occur that materially affect the normal operation of the use plan of proceeds, the Company shall promptly report to the stock exchange and make an announcement;

(IV) Where any of the following circumstances occurs to the projects to be invested with the proceeds (the "Projects"), the Company shall re-evaluate the feasibility, expected income, etc. of such Projects, decide whether to continue the implementation of such Projects, and disclose the progress of the Projects, reasons for the abnormal circumstances, and the adjusted investment plan if adjustment is needed, in the latest periodic report:

1. any material changes in the market environment relating to the Projects;

2. suspension of the Projects for over 1 year;

3. missing deadlines specified by the investment plan with the proceeds injected being less than 50% the planned investment amount;

4. other abnormal circumstances.

Article 13 In principle, the Company shall use the proceeds for its principal business. The Company shall refrain from using the proceeds for the following purposes:

(I) except for financial enterprises, any Projects being financial investments, such as financial assets held for trading and available for sale, provision of loans and entrusted wealth management, and direct or indirect investments in companies

de facto controllers and other related parties for their use, and facilitating related parties in seeking illegal gains with the Projects;

(IV) other acts in violation of the provisions on the management of the raised funds.

Article 14 In case the Company has made investment with its self-raised funds into Projects prior to receiving the proceeds, the proceeds may be used to replace such self-raised funds within six months following the receipt thereof.

Such replacement shall be subject to deliberation and adoption by the Board, with a verification report from an accounting firm, and the opinions on explicit consent given and disclosed by the supervisory committee, sponsor or independent financial adviser.

Article 15 The Company may carry out cash management for temporarily idle proceeds, in respect of which the term of the investment products shall not be longer than the term authorized for use by the Company internally by way of resolution and shall not exceed 12 months. Only if the proceeds are returned to the Special Account for the proceeds as scheduled following the maturity of the investment products and an announcement thereon is made, the Company can carry out cash management again within the authorized period and limit. Such investment products must meet the following conditions:

(I) highly safe principal-guaranteed products, such as structured deposits and large-denomination certificates of deposit;

(II) good liquidity without affecting the smooth progress of the investment plans of the proceeds. Investment products shall not be pledged, and product-specific settlement accounts(if applicable) shall not be used to deposit non-proceeds or for other purposes, and the opening or cancellation of product-specific settlement accounts shall be promptly reported to the stock exchange for recording and announced.

Article 16 The investment of idle proceeds in products shall be subject to the review and approval by the Board, with the opinions on explicit consent given by the supervisory committee, sponsor or independent financial adviser. The Company shall make an announcement within 2 trading days after the Board meeting on:

(I) the basic information on the proceeds, including, among others, the time of raising, the amount and net amount of the proceeds and investment plans;

(II) the information on the use of proceeds;

(III) the quota and duration of the idle proceeds for investing in products, whether there are any disguised changes in the purposes of the proceeds and the measures for ensuring the smooth progress of Projects funded by the proceeds;

(IV) the income distribution method, investment scope and safety of the investment products;

(V) opinions given by the supervisory committee, sponsor or independent financial adviser.

The Company shall promptly disclose risk alert announcements and explain the risk control measures taken by the Company to ensure the safety of funds in the event that the Company faces significant risks such as deterioration of the financial condition of the product issuers or loss of the invested products.

capital that were due, if applicable, have been returned.

The temporary use of idle proceeds to replenish working capital shall be subject to the deliberation and adoption by the Board, with the opinions on explicit consent given and disclosed by the supervisory committee, sponsor or independent financial adviser.

Before the expiration date of replenishing the working capital, the Company shall return such proceeds to the Special Account for proceeds and make a timely announcement thereon after the proceeds are returned in full.

Article 18 The excess of the net amount of the funds actually raised by the Company over the amount of the funds planned to be raised (the "Additional Raised Funds") may be used to permanently replenish working capital or repay bank loans, provided that the cumulative amount every 12 months shall not exceed 30% of the total amount of the Additional Raised Funds, and the Company undertakes that it will not make high-risk investments or provide financial assistance for entities other than its holding subsidiaries within 12 months after replenishing the working capital.

Article 19 The temporary use of Additional Raised Funds to permanently replenish working capital or repay bank loans shall be subject to the deliberation and adoption by the Board and the general meeting, with the manner of online voting provided for shareholders, and with the opinions on explicit consent given by the supervisory committee, sponsor or independent financial adviser. The Company shall make a timely announcement after the Board's deliberation on:

(I) the basic information on the proceeds, including, among others, the time of raising, the amount and net amount of the proceeds, amount of the Additional Raised Funds and investment plans;

(II) the information on the use of proceeds;

(III) the necessity of and detailed plan for using the Additional Raised Funds to permanently replenish the working capital or repay bank loans;

(IV) the undertaking of not making any high-risk investments or providing

shall be subject to the approvals of the Board and the general meeting and the opinions on explicit consent given by the sponsor or independent financial adviser or the supervisory committee. The Company shall make a timely announcement after the Board's deliberation.

Any proposed use of the remaining proceeds (including interest income) of less than 10% of the net proceeds shall be subject to the approval of the Board and the opinions on explicit consent given by the sponsor or independent financial adviser or the supervisory committee. The Company shall make a timely announcement after the Board's deliberation.

If the remaining proceeds (including interest income of the latest and regularly) are less than RMB5 million or 5% of the net proceeds, the procedures stipulated in the preceding paragraph may be waived and the use of such proceeds shall be disclosed in the annual report.

Chapter 5 Changes in the Use of Proceeds

Article 23 The proceeds shall be used by the Company according to the purposes as set out in the prospectus or offering document.

Under any of the following circumstances, the Company shall be deemed to have changed the use of the proceeds, and therefore shall make an announcement in a timely manner after consideration and approval by the Board and carry out the procedures for consideration by a general meeting:

(I) Cancellation or termination of the original Projects and implementation of a new one;

(II) Changes of the implementation entity of the Projects;

(III) Change of the implementation mode of the Projects;

(IV) Other circumstances that the stock exchange determines to be a change in the use of the proceeds.

Where there is a change in the implementation entity of the Projects between the Company and its wholly-owned subsidiaries or only the location for the

implementation of the Projects is changed, it shall not be regarded as a change in the use of proceeds and may be exempted from the general meeting procedures, but shall still be subject to the consideration and approval by the Board, and the reasons for the change in the entity or location and the opinions of the sponsor shall be announced in a timely manner.

Article 24 Any changes to the Projects shall be made only for the purpose of the principal business of the Company. The Company shall conduct a scientific and prudent feasibility study of the new Projects to ensure they have better market prospects and profitability, effective mitigation against investment risks and improvements to the effective yields of the proceeds.

Article 25 In respect of any proposed changes to the Projects, the Company shall make a public announcement thereof on the following matters in a timely manner after the submission to the Board for approval:

(I) basic information of the original Projects and the specific reasons for the proposed change;

(II) basic information, feasibility analysis and risk warning of the new Projects;

(III) investment plan of the new Projects;

(IV) statement that any approval from relevant authorities for the new Projects has been received or pending (if applicable);

(V) opinions of the supervisory committee, sponsor or independent financial adviser on the proposed changes to the original Project;

(VI) statement that the proposed changes to the original Project shall be subject to approval of the general meeting;

(VII) other matters as required by the stock exchange.

Where the new Projects involve connected transactions, asset purchases, or foreign investments, the Company shall make disclosures required by the relevant rules.

Article 26 If the Company changes the Projects for the acquisition of assets (including interests) of the controlling shareholders or the de facto controllers, it shall ensure that it can effectively avoid inter-competition and reduce connected transactions after the acquisition.

Article 27 In respect of any proposed external transfer or swap of the Projects (save

audit committee in a timely manner.

Where the audit committee of the Company is of the opinion that irregularities or material risks exist in the Company's management of the proceeds, or that the internal audit department did not report any inspection results pursuant to the preceding paragraph, it shall promptly report the same to the Board. The Board shall report the situation to the stock exchange and make an announcement in a timely manner upon receipt of the report.

Article 29 The Board shall continuously pay attention to the actual management and use of proceeds, shall conduct a comprehensive inspection of the progress of the Projects every six months and issue the Special Report on the Deposit and Actual Use of the Proceeds of the Company (the "Special Report of Proceeds") regarding the deposit and use of the proceeds.

In the event of discrepancy between the actual progress of the Projects and the investment plan, the Company shall provide the specific reasons therefor in the Special Report of Proceeds. Where idle proceeds were used for investment in products in the current period, the Company shall disclose in the Special Report of Proceeds the gains for the reporting period and investment share, contracting parties, product name, duration and other information as at the end of period.

The Special Report of Proceeds shall be subject to the consideration and approval by the Board and the supervisory committee, and an announcement shall be made in a timely manner upon the submission of such report to the Board for consideration. In an annual audit, the Company shall engage an accounting firm to issue a verification report for the deposit and use of proceeds and disclose such report on the website of the stock exchange at the time of the disclosure of the annual report.

Article 30 The sponsor or independent financial adviser shall conduct at least one on-site survey for the deposit and use of the proceeds of the Company semiannually. After the end of each accounting year, the sponsor or independent financial adviser shall issue a special inspection report on the deposit and use of the proceeds of the

Company for the year and submit it to the stock exchange when the Company discloses its annual report, and shall disclose such report on the website of the stock exchange at the same time. The inspection report shall include the following information:

(I) information relating to the deposit and use of the proceeds and the balance in the Special Account;

(II) progress of the Projects, including the difference from the planned progress of investment of the proceeds;

(III) information relating to the replacement of Company's self-raised funds previously invested in the Projects with the proceeds (if applicable);

(IV) use of idle proceeds to replenish working capital and its effect (if applicable);

(V) any use of the Additional Raised Funds (if applicable);

(VI) any changes in the investment of proceeds (if applicable);

(VII) conclusive opinions relating to whether the deposit and use of the proceeds by the Company are compliant with regulations;

(VIII) other information as required by the stock exchange.

After the end of each accounting year, the Board of the Company shall disclose in the Special Report of Proceeds the conclusive opinion in the special inspection report issued by the sponsor or independent financial adviser and the verification report issued by the accounting firm.

Chapter 7 Supplementary Provisions

Article 31 The Measures shall be interpreted and revised by the Board of Directors of the Company.

Article 32 Where the Projects are implemented through subsidiaries of the Company or other enterprises controlled by the Company, the Measures shall apply.

Article 33 The Measures shall take effect as of the date of adoption by the general meeting of the Company.