

Ad hoc announcement pursuant to Art. 53 LR

## Ningbo Shanshan Co., Ltd.

# Announcement on the Implementation of Equity Distribution for the Year 2022

### Important Note:

- Distribution Ratio Per Share

Cash dividend of RMB0.30 per A share (inclusive of tax)

- Relevant Date

Class of shares	Record date	Last trading day	Ex-right (ex-dividend) date	Cash dividend payment date
A share	2023/6/1	—	2023/6/2	2023/6/2

- Differentiated dividend distribution and carrying forward: Yes

### I. The Session and Date of the General Meeting Approving the Distribution Plan

The profit distribution plan was considered and approved at the 2022 Annual General Meeting of Ningbo Shanshan Co., Ltd. (hereinafter referred to as the “Company”) held on 10 May 2023.

### II. Distribution Plan

1. Distribution year: 2022

2. Distribution targets:

All shareholders of the Company whose names appear on the register of members maintained by China Securities Depository and Clearing Corporation Limited, Shanghai Branch (hereinafter referred to as “CSDC Shanghai Branch”) as at the afternoon of record date after the close of trading on the Shanghai Stock Exchange.

In accordance with the Rules for Repurchase of Shares by Listed Companies of the China Securities Regulatory Commission, the Guidelines No.7 for Self-Regulatory Supervision on Listed Companies of the SSE — Share Repurchase and other relevant regulations, the shares of the Company held by the Company through the specific repurchase account will not participate in the profit distribution.

3. Differentiated dividend distribution and carrying forward plan:

(1) The profit distribution plan of the Company for 2022 is: A cash dividend of RMB3.00 (inclusive of tax) for every 10 shares will be distributed to all shareholders on the basis of 2,237,847,891 distributable shares (total share capital of 2,263,973,358 shares less 26,125,467 shares in the specific repurchase account of the Company) registered on the record date for the implementation of the equity distribution. Total cash dividends of RMB671,354,367.30 (inclusive of tax) will be paid. There is no plan for capitalization of capital reserve this year.

(2) Description of the ex-right and ex-dividend method: In accordance with the relevant regulations of the Shanghai Stock Exchange, the Company calculated the ex-right and ex-dividend reference price in accordance with the following formula:

Ex-right (ex-dividend) reference price = (previous closing price - cash dividends) ÷ (1 + the percentage of changes in circulating shares)

Since the Company carries out differentiated dividend distribution this time, the cash dividend in the above formula refers to the cash dividend per share calculated based on the total share capital after a dilution adjustment, and the calculation formula is as follows:

Cash dividends per share = (total share capital participating in the distribution × actual cash dividends per share distributed) ÷ total share capital = (2,237,847,891 × 0.3) ÷ 2,263,973,358 ≈ RMB0.2965 per share °

Only cash dividends will be distributed under the profit distribution plan and there are no other forms of distribution plans such as capitalization of capital reserves. Therefore, the circulating shares of the Company will remain unchanged, and the percentage of changes in circulating shares is 0.

In summary, the ex-right (ex-dividend) reference price for the equity distribution = (previous closing price - 0.2965) ÷ (1 + 0) = RMB(previous closing price - 0.2965) per share °

### III. Relevant Date

Class of shares	Record date	Last trading day	Ex-right (ex-dividend) date	Cash dividend payment date
A share	2023/6/1	—	2023/6/2	2023/6/2

### IV. Distribution Implementation Measures

#### 1. Implementation Measures

(1) The shares of the Company held by the Company through the specific repurchase account will not participate in the profit distribution.

(2) Except for the targets of the Company's own distribution and special account for Company's repurchase, the dividend of remaining shareholders shall be distributed to the shareholders whose names appear on the register of members after the close of trading of the Shanghai Stock Exchange on the record date and who have completed designated transactions on the Shanghai Stock Exchange through the clearing system of CSDC Shanghai Branch. Investors who have completed a designated transaction may receive cash dividends from their designated securities branches on the dividend distribution date. The dividends of the shareholders who have not completed designated transactions are temporarily retained by CSDC Shanghai Branch and will be distributed after completing the designated transactions.

#### 2. Self-distribution target

Shanshan Holding Co., Ltd., Shanshan Group Co., Ltd., Ningbo Pengze Trading Co., Ltd., Ningbo Yinzhou Jielun Investment Co., Ltd.

#### 3. Tax deduction instructions

(1) For natural person shareholders and securities investment funds holding unrestricted tradable shares, according to the Notice of the Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on Issues Concerning the

Implementation of Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies (Cai Shui [2012] No. 85) (《财政部 国家税务总局 证监会关于实施上市公司股息红利差别化个人所得税政策有关问题的通知》(财税[2012]85 号)) and the Notice on Relevant Issues Concerning Dividend and Bonus Differentiation Individual Income Tax Policies of Listed Companies (Cai Shui [2015] No. 101) (《关于上市公司股息红利差别化个人所得税政策有关问题的通知》(财税[2015]101 号)), the company shall not withhold individual income tax when distributing dividends, and shall calculate the amount of payable tax according to the period of shareholding when the shares are actually transferred.

When individual shareholders and securities investment funds transfer their stocks after the record date, CSDC Shanghai Branch will calculate the actual tax payable based on the period of their shareholding, and securities companies and other share custodians will deduct from their personal fund accounts and transfer to CSDC Shanghai Branches which shall transfer the payment to the company within 5 working days of the following month, and the company shall declare and pay to the competent tax authority within the statutory declaration period of the month in which the tax is received.

The specific effective tax liability is as follows:

For a shareholding period of less than 1 month (including 1 month), the actual tax burden is 20%;

For a shareholding period of more than 1 month to 1 year (including 1 year), the actual tax burden is 10%;

Dividends and bonuses are temporarily exempted from personal income tax if the shareholding period is more than 1 year.

(2) For the individual income tax on cash dividends of natural person shareholders holding restricted tradable shares of equity incentives, refer to the above-mentioned relevant regulations on individual income tax of cash dividends for natural person shareholders of unrestricted tradable shares.

(3) In accordance with the Notice on Issues Relating to Withholding and Payment of Enterprise Income Tax by Chinese Resident Enterprises for Dividends, Dividends and Interest Paid to QFII (Guo Shui Han [2009] No. 47) (《关于中国居民企业向 QFII 支付股息、红利、利息代扣代缴企业所得税有关问题的通知》(国税函[2009]47 号)) issued by the State Administration of Taxation on

January 23, 2009, shareholders of Qualified Foreign Institutional Investors (“QFII”) are subject to corporate income tax withholding and payment by the Company at a rate of 10%, and a cash dividend of RMB0.27 per share is actually distributed after tax. If the dividend and bonus incomes obtained by QFII shareholders are entitled to the treatment as stipulated in tax treaties (arrangements), they can apply to the competent tax authority in accordance with regulations after receiving such dividends and bonuses.

(4) For Hong Kong market investors (including enterprise and individual) who hold the Company's stocks through Shanghai Stock Connect, the dividends will be paid by the Company in RMB through CSDC Shanghai Branch on the basis of the account of the nominal holder of the shares (Hong Kong Securities Clearing Company Limited), with tax deducted in accordance with the Notice of the Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on Tax Policies Concerning the Pilot Program of the Shanghai-Hong Kong Stock Market Interconnection Mechanism" (Cai Shui [2014] No. 81) (《财政部、国家税务总局、证监会关于沪港股票市场交易互联互通机制试点有关税收政策的通知》(财税[2014]81号)) in accordance with the relevant provisions of 10% withholding income tax, the actual cash dividend paid after tax is RMB0.27 per share. For Hong Kong investors who are tax residents of other countries and whose countries have entered into tax treaties with China that provide for a tax rate of less than 10% on dividend income, the enterprise or individual can apply to the competent tax authority of the Company to enjoy the treatment of the tax agreement.

(5) For investors who hold Global Depository Receipts (GDR) issued by the Company on the SIX Swiss Exchange (hereinafter referred to as "GDR investors"), cash dividends will be paid by the Company through CSDC Shanghai Branch to Citibank, National Association which is the notional holders of domestic underlying A shares corresponding to the GDRs, withholds and remits income tax at a rate of 10% in accordance with the "Enterprise Income Tax Law of the People's Republic of China" (《中华人民共和国企业所得税法》) and other relevant tax regulations. After receiving the GDR dividend income, if the GDR investors need to obtain the treatment of relevant tax agreements (arrangements), they can apply to the Company's competent tax authority in accordance with regulations.

The record date for GDR investors is the same as the record date for shareholders of A-shares, and the cash dividends will be paid to GDR investors by Citibank, National Association through

Euroclear Bank SA/NV and Clearstream Banking, S.A. on 9 June 2023, Swiss time.

(6) For other institutional investors and legal person shareholders, dividends and bonus income tax shall be paid by themselves, and the actual cash dividend is RMB0.30 per share before tax.

#### **V. Consultation Methods**

If you have any questions about the distribution plan, please contact us as follows:

Department: Securities Affairs Department

Tel: 0574-88208337

It is hereby announced.

Board of Directors of Ningbo Shanshan Co., Ltd.

29 May 2023