

Ningbo Shanshan Co., Ltd.

Announcement on Re-engagement of the Accounting Firm

Important Content Notice:

- Name of the accounting firm to be engaged: BDO China Shu Lun Pan Certified Public Accountants LLP

I. BASIC INFORMATION ON THE ACCOUNTING FIRM TO BE ENGAGED

(I) Information about the Institution

1. Basic information

Founded by Dr. ShuLun Pan in Shanghai in 1927, BDO China Shu Lun Pan Certified Public Accountants LLP (hereinafter referred to as “**Shu Lun Pan CPAs**”) was re-established in 1986 and became the first special general partnership accounting firm in China to be restructured in 2010 with the registration address in Shanghai. The chief partner is Mr. Zhu Jiandi. Shu Lun Pan CPAs is a member firm of the international accounting network of BDO, it has been engaged in securities service business for a long time and held securities and futures business licenses before the implementation of the New Securities Law. It has auditing qualification for H-shares, and has been registered with the American Public Company Accounting Oversight Board (PCAOB).

As of the end of 2023, Shu Lun Pan CPAs had 278 partners, 2,533 certified public accountants and a total of 10,730 practitioners, including 693 certified public accountants who had signed audit reports on securities service business.

Shu Lun Pan CPAs’s business income in 2023 (audited) was RMB5.001 billion, of which income from audit business was RMB3.516 billion and income from securities business was RMB1.765 billion.

In 2023, Shu Lun Pan CPAs has provided annual report audit services to 671 listed companies for total audit fees amounting to RMB832 million. Shu Lun Pan CPAs has 43 audit clients of listed companies in the same industry of the Company.

2. Investor protection capability

As of the end of 2023, Shu Lun Pan CPAs had drawn down an occupational risk fund of RMB166 million and purchased occupational insurance with an accumulated limit of RMB1.25 billion, and the relevant occupational insurance is able to cover civil liability for compensation arising from audit failures.

Details that Shu Lun Pan CPAs has been required to bear any civil liabilities due to civil litigation related to its practice in the past three years are as follows:

Plaintiff / claimant	Defendant / respondent	Litigation / arbitration	Amount involved	Outcome
Investors	Geeya Technology, Zhou Xuhui and Shu Lun Pan CPAs	2014 Annual Report	There is more than RMB10 million left in the litigation process	Joint liability. The occupational insurance purchased by Shu Lun Pan CPAs is sufficient to cover the compensation amount and the obligations stipulated in the effective judgments have been fulfilled.
Investors	Protruly, Northeast Securities, Yinxin Appraisal, Shu Lun Pan CPAs, etc.	2015 Reorganization, 2015 Annual Report and 2016 Annual Report	RMB0.8 million	The first instance judgment ruled that Shu Lun Pan CPAs should assume the supplementary compensation liability for 15% of the debts owed by Protruly to investors due to misrepresentation of securities during the period from 30 December 2016 to 14 December 2017. The RMB1.25 billion occupational insurance purchased by Shu Lun Pan CPAs is sufficient to cover the compensation amount.

3. Integrity record

In the past three years, Shu Lun Pan CPAs was subject to 0 criminal penalties, 1 administrative penalties, 29 supervision and administration measures, 1 self-regulatory measures, and 0 disciplinary sanctions due to its practice, involving 75 practitioners.

(II) Project Information

1. Basic information

Project	Name	CPA practice time	Commencement of auditing listed companies	Commencement of practice with this firm	Commencement of providing audit service for the Company
Project partner	Li Ping	1998	1994	1994	2024
Signing CPA	Liu Huan	2009	2009	2015	2024
Quality control	Tan Hongmei	2003	2004	2004	2024

Project	Name	CPA practice time	Commencement of auditing listed companies	Commencement of practice with this firm	Commencement of providing audit service for the Company
reviewer					

(1) Project partners' practice in the past three years:

Name: Li Ping

Time	Name of the listed company	Position
2023	Zhejiang Talent Television and Film Co., Ltd.	Project partner
2022	Hangzhou Horticulture Greening Co., Ltd.	Project partner
2021	Jiangsu HOB Biotech Group Corp., Ltd.	Project partner
2021	Amlogic (Shanghai) Co., Ltd.	Project partner
2021	Oriental Pearl Group Co., Ltd	Project partner

(2) Signing CPA's practice in the past three years:

Name: Liu Huan

Time	Name of the listed company	Position
2023	Shanghai BOCHU Electronic Technology Co., Ltd.	Project partner

(3) Quality control reviewer's practice in the past three years:

Name: Tan Hongmei

Time	Name of the listed company	Position
2019-2023	Shanghai Airport (Group) Co Ltd.	Project partner
	Beijing Wandong Medical Technology Co., Ltd.	Project partner
	Ningbo Sanxing Medical Electric Co., Ltd.	Project partner

2. Independence and integrity record of project team members

There is no breach of the independence requirement under the Code of Ethics for Certified Public Accountants of PRC by the project partner, signing CPA and quality control

reviewer.

The above personnel had no adverse record in the past three years.

3. Audit fees

Accounting audit fees and internal control audit fees for the year 2023 are RMB3 million and RMB1 million respectively. Accounting audit fees and internal control audit fees for the year 2022 are RMB3 million and RMB1 million respectively.

Audit fees of the accounting firm are based primarily on the responsibilities and expertise required of the professional service providers, taking into account the experience and the level of fee-earners involved, as well as the amount of time invested in the work. Proposals will be proposed by the Company at the General Meeting to authorize the Board of Directors to determine accounting audit fees and internal control audit fees for the year 2024 in accordance with the audit work carried out by Shu Lun Pan CPAs in 2024 and the relevant market rates.

II. PROCEDURES TO BE FULFILLED BY THE PROPOSED RE-ENGAGEMENT OF ACCOUNTING FIRM

(I) Deliberative opinions of the Audit Committee

Having carefully reviewed the relevant qualifications of Shu Lun Pan CPAs and information about the institution and project members, tracked and summarized the audit work carried out by Shu Lun Pan CPAs for the year 2023, the Audit Committee of the Board of Directors of the Company considered that: Shu Lun Pan CPAs has sufficient independence, integrity and investor protection capability to provide audit services to the Company. In the process of providing audit services for the Company in 2023, Shu Lun Pan CPAs performed its duties and strictly complied with auditing standards of independence, objectivity and impartiality and ethical requirements, and completed the audit of 2023 financial accounting report and internal control audit assigned by the Company. As Shu Lun Pan CPAs has professional capacity to satisfy the Company's auditing needs, in order to ensure the continuity and stability of the Company's audit, it is proposed to re-engage Shu Lun Pan CPAs as the accounting and auditing institution as well as internal control and auditing institution of the Company for the year 2024.

(II) Consideration and Voting of the Board of Directors

The eighth meeting of the eleventh session of the Board of Directors of the Company considered and approved the "Proposal in relation to the re-engagement of BDO China SHU LUN PAN Certified Public Accountants LLP as the accounting auditor of the Company for 2024" and the "Proposal in relation to the re-engagement of BDO China SHU LUN PAN Certified Public Accountants LLP as the internal control auditor of the Company for 2024" with 11 affirmative votes, 0 dissenting vote, 0 abstaining vote and 0 avoiding vote.

(III) Effective Date

The re-engagement of accounting firm is subject to be submitted to the 2023 Annual General Meeting of the Company for consideration, and will be effective from the date of approval by the 2023 Annual General Meeting of the Company.

It is hereby announced.

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

25 April 2024