Report of Ningbo Shanshan Co., Ltd.
on Use of Proceeds from Previous Offering

In accordance with the Provisions on the Report on the Use of Proceeds Raised in the Previous Issue of Shares (Zheng Jian Fa Xing Zi [2007] No. 500) issued by the China Securities Regulatory Commission ("the CSRC"), Ningbo Shanshan Co., Ltd. (the "Company" or "Shanshan") hereby provides the report on the use of proceeds from previous offering as of September 30, 2022, as detailed below:

I. Basic Information on Proceeds from Previous Offering

On November 9, 2021, the CSRC approved the private placement of not more than 488,402,766 new shares by Shanshan through the Approval on the Private Placement of Shares by Ningbo Shanshan Co., Ltd. (Zheng Jian Xu Ke [2021] No. 3560). As of December 28, 2021, Shanshan issued 488,402,766 shares through private placement, including 205,264,756 shares of RMB ordinary shares (A-shares) issued to Shanshan Group Co., Ltd., 205,264,756 shares of RMB ordinary shares (A-shares) issued to Ningbo Pengze Trading Co., Ltd., and 77,873,254 shares of RMB ordinary shares (A

proceeds.

(I) Deposit of proceeds from the previous offering

(In RMB)

No. Opening bank Account No.

			Initial deposit amount	Balance as of

				September 30, 2022
1	Yinzhou Branch of INDUSTRIAL BANK			

increase the capital of Shanjin Optoelectronics (Suzhou) Co., Ltd. (“Suzhou Shanjin”) and acquire 70% equity of Suzhou Shanjin, and indirectly purchase 70% equity of the LCD polarizer business and the related assets of LG Chem in Mainland China, Taiwan and Korea (“the Underlying Assets”) through Suzhou Shanjin.

Prior to the receipt of the proceeds, in order not to affect the progress of the acquisition of the Underlying Assets, the Company used the self-raised funds to increase the capital of Suzhou Shanjin by $770 million, and paid RMB 4.984 billion, as calculated according to the exchange rate of the capital increase day. In late January 2021, the Company paid through Suzhou Shanjin and its subsidiary the initial transfer price of the Underlying Assets in Mainland China and completed the closing in Mainland China on February 1, 2021. The Company plans to replace the self-raised funds invested in the early stage with the proceeds from the private placement when it is available. If the capital invested in advance by the Company is greater than the actual net proceeds, the net proceeds will be totally used for replacement, with the balance settled by the self-raised funds of the Company.

On January 4, 2022, the 23rd Meeting of the Tenth Board of Directors of the Company deliberated and approved the Proposal on Replacing the Self-raised Funds Invested In Advance with the Proceeds from Private Placement, approving the Company to use all the available proceeds from the private placement for the replacement (As of January 4, 2022, the balance in the special account was RMB 3,034,497,287.50). The independent directors of the Company and the 14th meeting of the Tenth Supervisory Committee issued a clear consent to this. The Sponsor issued a verification opinion on use of the above-mentioned proceeds to replace the self-raised funds invested in advance. BDO China Shu Lun Pan Certified Public Accountants LLP carried out special audit on the replacement of the self-raised funds invested into projects in advance with the proceeds and the self-

VIII. Balance of proceeds from previous offering and use of the balance

As of February 11, 2022, the proceeds from previous offering was used up as planned, the net interest income generated prior to the closing of the special account for proceeds (in total RMB 2,120,190.33) was transferred into the Company's account for self-owned capital. The special account for proceeds will no longer be used, and the account closing procedures have been completed.

IX. Comparison of information disclosure for the actual use of proceeds from previous offering

There is no difference in the actual use of the proceeds from the previous offering with the relevant contents disclosed in regular reports and other information disclosure documents of the Company.

X. Other offering matters

On April 18, 2022, the Company held the 27th meeting of the tenth board of directors, which deliberated and approved the Resolution on Offering GDR and Getting Listed on SIX Swiss Exchange and Converting the Company into an Overseas Stock Offering Limited Company and other relevant proposals for the offering and listing.

On May 10, 2022, the Company held the 2021 Annual General Meeting, which deliberated and approved the Proposal on Offering GDR and Getting Listed on SIX Swiss Exchange and Converting the Company into an Overseas Stock Offering Limited Company and other relevant proposals for the offering and listing.

On July 12, 2022, the CSRC approved the increase of Underlying Shares of A-shares for not more than 321,437,900 shares by Shanshan by offering global depository receipts (GDR) through the Approval on the Initial Public Offering of GDR 114.48OfRboG(I)14.82(nge)0.8han by

including new share capital of RMB77,211,500.00 and share premium of RMB2,025,195,586.43.

According to the GDR prospectus, the Company intends to use the net proceeds from the offering for the following purposes:

No.3 and No.4 extension production lines of Polarizer in Guangzhou	394,538,946.53

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Schedule 1

Comparison Table of Use of Proceeds from Previous Offering

(In RMB 10 thousand)

Total proceeds: Note 1			302,888.67			Total proceeds used in aggregate:		302,888.67			
						Total proceeds used during the year:		302,888.67			
Total proceeds with change in use:			/			2019:		Not applicable			
Proportion of total proceeds with change in use:			/			2020:		Not applicable			
						2021:		302,888.67			
Investment projects			Total investment amount from proceeds			Accumulated investment amount from proceeds as of the Closing Date			Difference between actual investment amount and committed investment amount after the offering	The date on which the project reaches its intended usable status (or the completion degree of the project as of the Closing Date)	
No.	Committed investment projects	Actual investment projects	Committed investment amount before the offering	Committed investment amount after the offering	Actual investment amount	Committed investment amount before the offering	Committed investment amount after the offering	Actual investment amount			
1	Acquisition of LCD polarizer business and the related assets from LG Chem	Acquisition of LCD polarizer business and the related assets from LG Chem	302,888.67	302,888.67	302,888.67	302,888.67	302,888.67	302,888.67	/	February 1, 2021	

Schedule 2

Comparison Table of Benefits Achieved by the Projects Invested with Proceeds from Previous Offering

(In RMB 10 thousand)

Actual investment projects		Cumulative capacity utilization rate of investment projects as of the Closing Date	Benefit commitment	Actual benefits in the last 3 years			Closing date Cumulative realized benefits	Reach expected benefits or not
No.	Project name			2020	2021	January to September 2022 Unaudited		
1	Acquisition of LCD polarizer business and the related assets from LG Chem	Not applicable	Not applicable	Not applicable	119,720.06	112,197.27	231,917.33	Not applicable

Note 1: The annual project benefit of 2021 covered the period from February 1, 2021 (the Closing Date in Mainland China) to December 31, 2021.

Note 2: Shanshan obtained 70% equity of Suzhou Shanjin through closing in Mainland China, and LG Chem held the remaining 30% equity. In addition, they agreed that Shanshan would purchase the remaining 30% of the holding company by stages in the next 3 years to realize 100% shareholding over the holding

company, and all the realizable income of the polarizer business in the next three years would be owned by Shanshan, and the subsequent transaction price of the 30% equity held by LG Chem has been fixed and irrevocable. Therefore, 100% equity of the polarizer business was owned by Shanshan, and the 30% equity held by LG Chem was reflected as liabilities.

Note 3: The closing in Taiwan was completed on June 30, 2022. Taiwan Shanjin Optoelectronics Co., Ltd has been included into the project since July 1, 2022.