

Stock code: 000301 Stock abbreviation: Eastern Shenghong Announcement number: 2023-035

Bond code: 127030 Bond abbreviation: Shenghong Convertible Bond

Jiangsu Eastern Shenghong Co., Ltd.
Announcement on the Profit Distribution Proposal in 2022

The Company and all members of the Board of Directors warrant that the content of the information disclosure is true, accurate and complete, and there are no false records, misleading statements or material omissions.

Jiangsu Eastern Shenghong Co., Ltd. (hereinafter referred to as “the Company”) held the 2nd meeting of the 9th Board of Directors and the 2nd meeting of the 9th Board of Supervisors on April 16, 2023, which considered and unanimously approved the Proposal for Distribution of Profits and Conversion of Capital Reserve into Share Capital of the Company in 2022. This proposal needs to be submitted to the General Meeting of the Company for review. Relevant matters are hereby announced as follows:

I. Details of the Profit Distribution Proposal in 2022

According to the audit of BDO China Shu Lun Pan Certified Public Accountants LLP, the Company achieved a net profit attributable to shareholders of the listed company of RMB548,162,571.15 in FY2022. As of December 31, 2022, the Company's available-for-distribution profit (according to the parent company's definition) was RMB2,047,552,677.49.

To ensure a reasonable return to shareholders and support the Company's long-term development, it is proposed to distribute a cash dividend of RMB1.00 (tax included) for every 10 A-shares held by shareholders in FY2022. The distribution will be based on the total share capital as of the Record Date of the future implementation of the distribution proposal, while ensuring sufficient capital for production and operations. The proposed distribution will not include any bonus shares or involve converting capital reserve into share capital.

As of March 31, 2023, the total share capital of the Company was 6,611,212,402 shares, based on which the proposed cash dividend of RMB661,121,240.20 (tax included) was calculated. If the

total share capital of the Company changes before the Record Date of the implementation of the distribution proposal, the Company will maintain the distribution ratio per share and adjust the total amount of distribution accordingly.

II. Validity and Compliance of the Profit Distribution Proposal in 2022

The profit distribution proposal is in compliance with relevant laws and regulations, as well as the Company's Articles of Association and the Company's Shareholder Return Plan for the Next Three Years (2022-2024), which can guarantee reasonable returns to shareholders and take into account the sustainable development of the Company.

III. Opinions of Independent Directors

The independent directors are of the opinion that the profit distribution proposal complies with relevant laws and regulations, as well as the Company's Articles of Association and its Shareholder Return Plan for the Next Three Years (2022-2024). The proposed profit distribution ensures reasonable returns to shareholders while taking into account the Company's sustainable development. The directors also confirm that the distribution will not be detrimental to the interests of the Company or any of its shareholders, including small and medium shareholders.

The independent directors approve the profit distribution proposal and will submit it to the General Meeting for consideration.

IV. Documents Available for Inspection

1. Resolutions of the 2nd Meeting of the 9th Board of Directors;
2. Resolutions of the 2nd Meeting of the 9th Board of Supervisors;
3. Independent Opinions of the Independent Directors of the Company.

This is hereby announced.

Jiangsu Eastern Shenghong Co., Ltd.

Board of Directors

April 17, 2023