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Press Release - Ad-hoc announcement pursuant to Art. 53 LR

Jiangsu Eastern Shenghong Co., Ltd.
Announcement on the Progress of the Shareholding Increase
in the Company by the Controlling Shareholder and Its Concerted
Action, and Notice of Change in Equity

The Controlling Shareholder and Its Concerted Action warrant that the content of the provided information is true, accurate and complete, and there are no false representations, misleading statements or material omissions.

The Company and all members of the Board of Directors warrant that the information disclosed is consistent with the information provided by the information disclosure obligations.

Special Notice:

1. This change in equity is due to the controlling shareholder of Jiangsu Eastern Shenghong Co., Ltd. (hereinafter referred to as the "Company"), Jiangsu Shenghong Technology Co., Ltd. (hereinafter referred to as "Shenghong Technology"), along with its concerted action, Shenghong Petrochemical Group Co., Ltd. (hereinafter referred to as "Shenghong Petrochemical") and Shenghong (Suzhou) Group Co., Ltd. (hereinafter referred to as "Shenghong Suzhou Group") (collectively referred to as "the Increase Entities"), implementing their previously disclosed plan to increase shareholdings. For details, please refer to the "Announcement on the Plan to Increase Shareholding in the Company by the Controlling Shareholder and Its Concerted Action through their Own Funds and Special Loans" disclosed by the Company on November 14, 2024 (Announcement No.: 2024-073).

2. From November 14, 2024 to January 17, 2025, the Increase Entities increased their shareholdings of the Company's shares by 81,747,006 shares through centralized bidding on the Shenzhen Stock Exchange, accounting for 1.24% of the Company's total equity (based on a total equity of 6,611,221,707 shares as of January 17, 2025). After this increase, the controlling shareholder of the Company, Shenghong Technology, along with its concerted action Shenghong Petrochemical, Shenghong Suzhou Group, Lianyungang Bohong Industrial Co., Ltd. (hereinafter referred to as "Bohong Industrial"), Zhu Hongmei, Zhu Hongjuan and Zhu Minjuan, collectively and

directly hold 4,297,294,200 shares of the Company, representing 65% of the Company's total equity (based on a total equity of 6,611,221,707 shares as of January 17, 2025). The shareholding increasement plan has not yet been fully implemented, and the Increase Entities will continue to carry out the plan.

3. The Increase Entities collectively hold more than 50% of the Company's shares. This shareholding increasement plan aims to further enhance the rights of the Increase Entities in the Company and does not affect the company's listing status. It complies with the circumstances exempt from launching a tender offer in Article 63 of the "Measures for the Management of Listed Company Acquisitions."

On January 17, 2025, the Company received a "Detailed Report on Equity Changes" and a "Notice on the Progress of Shareholding Increasement in the Listed Company" issued by the controlling shareholder and its concerted action. The specific details are as follows.

I. Method of this equity change

Before this equity change, the controlling shareholder Shenghong Technology and its concerted action—including Shenghong Petrochemical, Shenghong Suzhou, Lianyungang Bohong Industrial Co., Ltd., Zhu Hongmei, Zhu Hongjuan, and Zhu Minjuan—held a total of 4,215,547,194 shares of the company, accounting for 63.76% of the total share capital of the company (calculated based on the total share capital of 6,611,221,707 shares as of January 17, 2025).

This equity change is the result of the increasing party acquiring an additional 81,747,006 shares of the company through a centralized bidding process on the stock exchange, which accounts for 1.24% of the total share capital of the company (calculated based on the total share capital of 6,611,221,707 shares as of January 17, 2025).

After this equity change, the controlling shareholder Shenghong Technology and its concerted action—including Shenghong Petrochemical, Shenghong Suzhou, Lianyungang Bohong Industrial Co., Ltd., Zhu Hongmei, Zhu Hongjuan, and Zhu Minjuan—hold a total of 4,297,294,200 shares of the company, accounting for 65% of the total share capital of the company (calculated based on the total share capital of 6,611,221,707 shares as of January 17, 2025).

II. Changes in shareholding before and after this equity change

Nature of Shares	Shareholding Before this Change	Shareholding After this Change
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	Number of Shares	Proportion of total Share Capital	Number of Shares	Proportion of total Share Capital
Shenghong Technology	2,768,225,540	41.87%	2,795,062,778	42.28%
Among them: unrestricted shares	2,768,225,540	41.87%	2,795,062,778	42.28%
Restricted shares	0	0.00%	0	0.00%
Shenghong Petrochemical	1,052,404,479	15.92%	1,085,774,301	16.42%
Among them: unrestricted shares	0	0.00%	33,369,822	0.50%
Restricted shares	1,052,404,479	15.92%	1,052,404,479	15.92%
Shenghong Suzhou Group	334,821,428	5.06%	356,361,374	5.39%
Among them: unrestricted shares	334,821,428	5.06%	356,361,374	5.39%
Restricted shares	0	0.00%	0	0.00%
Bohong Industrial	59,123,847	0.89%	59,123,847	0.89%
Among them: unrestricted shares	0	0.00%	0	0.00%
Restricted shares	59,123,847	0.89%	59,123,847	0.89%
Zhu Hongmei	861,800	0.01%	861,800	0.01%
Zhu Hongjuan	62,600		62,600	
Zhu Minjuan	47,500		47,500	
Among them: unrestricted shares	971,900	0.01%	971,900	0.01%
Restricted shares	0	0.00%	0	0.00%
Total	4,215,547,194	63.76%	4,297,294,200	65.00%
Among them: unrestricted shares	3,104,018,868	46.95%	3,185,765,874	48.19%
Restricted shares	1,111,528,326	16.81%	1,111,528,326	16.81%

Note 1: The GDR issued by the Company were listed on the Swiss Exchange on December 28, 2022 (Swiss time). The shares of the Company held by Shenghong Technology do not include 5,540,000 GDRs (representing 55,400,000 A-shares of the Company) held through qualified domestic institutional investor overseas securities investment products, as well as the rights to earnings of 2,770,000 GDRs (representing 27,700,000 A-shares of the Company) held through a total return swap contract.

Note 2: The discrepancies of data in the table are due to rounding.

III. Progress of the Shareholding Increase Plan

1. Progress of the Shareholding Increase

The Increase Entities increased its shareholding in the Company by a total of 81,747,006 shares through centralized bidding on the Shenzhen Stock Exchange from November 14, 2024, to January 17, 2025, accounting for 1.24% of the Company's total share capital. After this increase, the controlling shareholder Shenghong Technology and its concerted action—including Shenghong Petrochemical, Shenghong Suzhou, Bohong Industrial, Zhu Hongmei, Zhu Hongjuan, and Zhu Minjuan—hold a total of 4,297,294,200 shares of the company directly, accounting for 65% of the total share capital of the Company.

2. Adjustment of Special Loan Agreement for Shareholding Increase

This shareholding increase is supported by a special loan as per the "Notice of the Establishment of Special loans for stock repurchase and Shareholding Increase" issued by the People's Bank of China, the Financial Regulatory Administration, and the China Securities Regulatory Commission. Following adjustments and optimizations to the policies related to stock repurchase and shareholding increase special loans issued by the People's Bank of China in conjunction with the Financial Regulatory Administration, the China Securities Regulatory Commission, and other financial management departments, the Company has received a special loan from the bank. The loan proportions have been adjusted according to the latest policies, and the term of the special loan has been extended to three years.

IV. Other Relevant Explanations

1. The changes in equity and the shareholding increase plan comply with the "Securities Law of the People's Republic of China," "Measures for the Management of Listed Company Acquisitions," "Listing Rules of the Shenzhen Stock Exchange," "Self-Discipline Regulatory Guidelines No. 10 for Listed Companies on the Shenzhen Stock Exchange—Management of Share Changes," and other relevant laws and regulations, departmental rules, business rules of the Shenzhen Stock Exchange, and the Company's Articles of Association.

2. This change in equity and the shareholding plan comply with the circumstances exempt from launching a tender offer in Article 63 of the "Measures for the Management of Listed Company Acquisitions." It will not result in a change in the control of the Company, nor will it adversely affect the Company's governance structure, ownership structure, or its ongoing operations.

3. For detailed information on the changes in equity, please refer to the "Detailed Report on Changes in Equity" disclosed by the Company on the same day on the CNINFO.

4. The Company will closely monitor the follow-up progress of relevant matters and will fulfill

its information disclosure obligations in a timely manner, in strict accordance with the requirements of relevant laws, regulations, and normative documents. Investors should invest rationally and pay attention to investment risks.

V. Documents for Reference

1. Details of shareholding changes from China Securities Depository and Clearing Corporation Limited;
2. The "Detailed Report on Changes in Equity," "Notice of Progress Regarding the Shareholding Increase in the Company" issued by the controlling shareholder and its concerted action.

This is hereby announced.

Jiangsu Eastern Shenghong Co., Ltd.
Board of Directors
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About Jiangsu Eastern Shenghong Co., Ltd.

Shenghong has established leading positions in business segments such as renewable energy materials, performance chemicals, petrochemicals, and chemical fiber industries. Underpinned by its leading position and high brand awareness, the products are widely adopted in downstream applications. In particular, Shenghong is a pioneer in the renewable energy materials and performance chemicals sector, and it intends to continually invest in this sector to capture its strong growth potential.

At present, the Company has the 16 million tons/year refining and chemical integration unit, 2.4 million tons/year MTO unit and 700,000 tons/year PDH unit, realizing the full coverage of three olefin production process routes, namely, "oil head", "coal head" and "gas head". Through the differentiated and diversified layout of raw material sources of "oil, coal and gas", the Company has more options and possibilities in terms of comprehensive cost control, coping with the risk of cyclical fluctuations, new product research and development, and process route selection of downstream high-end petrochemical products, building a solid foundation for the Company to further play the advantages of scale operation, reduce the operational risk caused by cyclical fluctuations of the industry, and better realize anti-cycle and cross - cycle steady development.

Disclaimer

This announcement may contain forward looking statements, estimates, opinions and projections with respect to the anticipated performance of the Company ("forward-looking statements"). These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "forecast", "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements are based on the current views, expectations and assumptions of the management of the Company and involve significant known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Any forward-looking statements included herein only speak as at the date of this release. We undertake no obligation, and do not expect to publicly update, or publicly revise, any of the information, forward-looking statements or the conclusions contained herein or to reflect new events or circumstances or to correct any inaccuracies which may become apparent subsequent to the date hereof, whether as a result of new information, future events or otherwise. We accept no liability whatsoever in respect of the achievement of such forward-looking statements and assumptions.