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

Jiangsu Eastern Shenghong Co., Ltd. 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

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 representations, misleading statements or material omissions.

Special Notice:

1. 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") and its concerted action, Shenghong Petrochemical Group Co.(hereinafter referred to as "Shenghong Petrochemical"), Ltd., Shenghong (Suzhou) Group Co., Ltd.(hereinafter referred to as "Shenghong Suzhou Group"), plans to increase their holdings of the Company's A-shares within six months from the date of the announcement, through centralized bidding on the Shenzhen Stock Exchange, with a total planned investment of no less than RMB 2000 million and no more than RMB 4000 million, among which: Shenghong Technology will increase its holdings by no less than RMB 800 million and no more than RMB 1600 million; Shenghong Petrochemical will increase its holdings by no less than RMB 600 million and no more than RMB 1200 million; Shenghong Suzhou Group will increase its holdings by no less than RMB 600 million and no more than RMB 1200 million, based on a firm confidence in the Company's future sustainable and stable development and recognition of the long-term investment value of the Company, as well as to enhance investor confidence, effectively safeguard the interests of small and medium-sized shareholders and market stability, and promote the Company's continuous, stable, and healthy development.

2. Shenghong Technology, Shenghong Petrochemical, and Shenghong Suzhou Group are under the control of the same actual controller and are considered acting in concert, approximately holding a combined total of 62.85% of the Company's share. Among them, Shenghong Technology approximately holds 41.87%, Shenghong Petrochemical approximately holds 15.92%, and

Shenghong Suzhou Group approximately holds 5.06%. The combined shareholding of Shenghong Technology, Shenghong Petrochemical, and Shenghong Suzhou Group exceeds 50% of the Company's issued shares. This shareholding increase plan is intended to further increase the rights and interests of Shenghong Technology, Shenghong Petrochemical, and Shenghong Suzhou Group in the Company and will not affect the Company's listing status. It complies with the exemption conditions for not issuing a tender offer as stipulated in Article 63 of the "Measures for the Administration of the Acquisition of Listed Companies".

3. Shenghong Technology, Shenghong Petrochemical, and Shenghong Suzhou Group do not fall under any circumstances that prohibit the acquisition of listed companies as stated in the "Measures for the Administration of the Acquisition of Listed Companies". Shenghong Technology, Shenghong Petrochemical, and Shenghong Suzhou Group are capable of fulfilling their debt responsibilities and not have any major irregularity over the past year, thereby meeting the requirements of the "Notice on Matters Related to the Establishment of Stock Buyback and Increase Re-lending".

4. This shareholding increase plan does not specify a price range. The increasing entity will implement the shareholder increase plan as appropriate based on the fluctuation of the Company's stock price and the overall trend of the capital market.

5. During the implementation of the shareholding increase plan, there may be risks of inability to complete the plan due to changes in market conditions, policies and other factors. Investors are advised to be aware of investment risks.

The Company recently received a letter from its the controlling shareholder Shenghong Technology and concerted action Shenghong Petrochemical, Shenghong Suzhou Group regarding the "Plan to Increase Shareholdings in Jiangsu Eastern Shenghong Co., Ltd." Details are hereby announced as follows:

I. Basic Information on the Entity of the Shareholding Increase

(I) Entity of the Shareholding increase: The controlling shareholder Shenghong Technology and its concerted action Shenghong Petrochemical, Shenghong Suzhou Group.

(II) As of the date of this announcement, Shenghong Technology, Shenghong Petrochemical and Shenghong Suzhou Group holds 4,155,451,447 A-shares of the Company, representing approximately 62.85% of the total share capital of the Company. Among them, Shenghong Technology holds 2,768,225,540 A-shares of the Company, representing approximately 41.87% of the total share capital of the Company; Shenghong Petrochemical holds 1,052,404,479 A-shares of

the Company, representing approximately 15.92% of the total share capital of the Company; Shenghong Suzhou Group holds 334,821,428 A-shares of the Company, representing approximately 5.06% of the total share capital of the Company.

(III) During the 12 months prior to this announcement, the increasing entity has not increased its shareholding in the Company.

(IV) There has been no reduction in the shareholding of the Company by the increasing entity in the six months prior to the date of this announcement.

II. Main Contents of the Shareholding Increase Plan

(I) Purpose of the Proposed Increase in Shareholding: This increase is based on a strong confidence in the Company's future sustainable and stable development and recognition of its long-term investment value, as well as to enhance investor confidence, effectively protect the interests of small and medium-sized shareholders, maintain market stability, and promote the continuous, stable, and healthy development of the Company.

(II) Amount of the Proposed Increase in Shareholding: The total amount for this increase in shareholding shall be no less than RMB 2000 million and no more than RMB 4000 million, among which: Shenghong Technology will increase its holdings by no less than RMB 800 million and no more than RMB 1600 million; Shenghong Petrochemical will increase its holdings by no less than RMB 600 million and no more than RMB 1200 million; Shenghong Suzhou Group will increase its holdings by no less than RMB 600 million and no more than RMB 1200 million.

(III) Price of the Shares to be Acquired under the Proposed Increase in Shareholding: No price range is specify for this shareholding increase plan. The increasing entity will implement the plan based on the price fluctuations of the Company's shares and the overall trends in the capital market.

(IV) Implementation Period of the Shareholding Increase Plan: The plan will be implemented within six months from the date of the announcement, subject to compliance with relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange. If the Company's stock is suspended during the implementation period, the shareholding increase plan will be postponed until after the stock resumes trading.

(V) Methods and Types of the Proposed Increase in shareholding: The increase will be conducted through centralized bidding on the Shenzhen Stock Exchange to acquire A-shares of the Company.

(VI) Funding Arrangement for the Shareholding Increase Plan: A combination of self-owned funds and special loans.

(VII) Commitment of the Entity of the Shareholding Increase: The increasing entity commits to completing this shareholding increase plan within the aforementioned implementation period, not reducing its shareholding in the Company during the implementation period of the shareholding increase and within the statutory period, and to strictly complying with the relevant laws, regulations, and normative documents of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, ensuring no insider trading, trading during sensitive periods, short-term trading, etc.

(VIII) Other Matters: The shareholding increase will strictly adhere to the arrangements regarding share lock-up periods as stipulated by the China Securities Regulatory Commission and the Shenzhen Stock Exchange.

III. Agreements with Financial Institutions for Loans for Shareholding Increase

According to the "Notice on Matters Related to the Establishment of Stock Buyback and Increase Re-lending" issued by the People's Bank of China, the Financial Regulatory Administration, and the China Securities Regulatory Commission, the Wujiang Shengze Branch of China Construction Bank Co., Ltd. recently issued a "Loan Commitment Letter" to Shenghong Technology, agreeing to provide special loan support for Shenghong Technology's increase in A-shares of the Company, with a loan amount of no more than RMB 1120 million. The commitment letter is valid for one year from the date of issuance. The Suzhou Yangtze River Delta Integration Demonstration Zone Branch of Agricultural Bank of China Co., Ltd. recently issued a "Loan Commitment Letter" to Shenghong Petrochemical, agreeing to provide special loan support for Shenghong Petrochemical's increase in A-shares of the Company, with a loan amount of no more RMB 840 million. The commitment letter is valid for one year from the date of issuance. The Suzhou Yangtze River Delta Integration Demonstration Zone Branch of Bank of China Co., Ltd. recently issued a "Loan Commitment Letter" to Shenghong Suzhou Group, agreeing to provide special loan support for Shenghong Suzhou Group's increase in A-shares of the Company, with a loan amount of no more than RMB 840 million. The commitment letter is valid for one year from the date of issuance.

IV. Uncertainty Risks in the Implementation of the Shareholding Increase Plan

During the implementation of the shareholding increase plan, there may be risks of delays or inability to complete the plan due to changes in market conditions and other factors. If such risks occur during the implementation of the shareholding increase plan, the Company will promptly fulfill its information disclosure obligations. Investors are advised to be aware of investment risks.

V. Other Relevant Explanations

1. This shareholding increase plan complies with the provisions of the "Company Law of the People's Republic of China," "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. 1 for Listed Companies on the Main Board—Regulated Operation of Listed Companies," "Self-Discipline Regulatory Guidelines No. 10 for Listed Companies on the Shenzhen Stock Exchange—Management of Share Changes," and other relevant laws, regulations, and normative documents.

2. This shareholding increase will not lead to an equity distribution of equity that fails to meet listing conditions and will not result in a change of control of the Company.

3. The Company will continue to pay attention to the situation regarding the shareholding increase plan and will timely fulfill its information disclosure obligations in accordance with relevant regulations. Investors are cautioned to make careful decisions and be mindful of investment risks.

This is hereby announced.

Jiangsu Eastern Shenghong Co., Ltd.

Board of Directors

November 13, 2024

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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.