

Stock Code: 000301 Stock Abbr.: Eastern Shenghong Announcement No.: 2023-086

Bond Code: 127030 Bond Abbr.: Shenghong Convertible Bonds

**Announcement of JIANGSU EASTERN SHENGHONG CO.,
LTD. on the Proposed Introduction of a Strategic Investor by its
Wholly-Owned Subsidiary Jiangsu Shenghong Petrochemical
Industry Group Co., Ltd. and the Execution of a Cooperation
Framework Agreement with SAUDI ARAMCO ASIA
COMPANY LIMITED**

The Company and all members of the Board of Directors warrant that the information contained in this information disclosure is true, accurate and complete, there is no false or misleading statement or material omission in this information disclosure.

Special Notice:

1.The Cooperation Framework Agreement (hereinafter referred to as the “**Framework Agreement**”) entered into this time is a strategic framework agreement that does not create any legal obligation or formal commitments but only reflects the preliminary intentions and principle of cooperation between the two parties. Specific matters involved shall be determined by a series of legally binding definitive agreements entered into by the parties separately. That said, the progress of the subsequent negotiations between the parties and whether formal and legally binding agreements with respect to the cooperation can be concluded are highly uncertain. Investors are hereby reminded of investment risk.

2.The Framework Agreement does not involve any specific amount and is only an initial intention reached between the parties through negotiations, which will have no material impact on the financial conditions and operating results of the Company for year 2023 without the execution of the formal agreements. If the formal cooperation agreements are eventually executed by the parties and successfully

implemented, it is expected that the formal cooperation agreements will have a positive impact on the operations and development of the Company in the long run.

A. Overview of the Execution of the Framework Agreement

On September 27, 2023, JIANGSU EASTERN SHENGHONG CO., LTD. (hereinafter referred to as the “**Company**”) entered into the Framework Agreement with SAUDI ARAMCO ASIA COMPANY LIMITED (hereinafter referred to as “**SAAC**”), a subsidiary of Saudi Arabian Oil Company (hereinafter referred to as “**Saudi Aramco**”). The Framework Agreement mainly includes the following: (i) Saudi Aramco or its affiliate intends to become a strategic investor holding a minority interest in Jiangsu Shenghong Petrochemical Industry Group Co., Ltd. (hereinafter referred to as the “**Target Company**”), a wholly-owned subsidiary of the Company; and (ii) the parties intend to cooperate in terms of long-term purchase and supply of raw materials such as crude oil, sale of chemical and fuel products, and the license of high value-added technology, etc.

None of the matters covered by the Framework Agreement constitutes connected transactions.

B. Introduction of Counterparty to the Framework Agreement

Name: Saudi Aramco Asia Company Limited

Residence: P.O. Box 5000, Dhahran, Saudi Arabia

Place of Registration: Saudi Arabia

Major Shareholder: Saudi Arabian Oil Company

C. Main Contents of the Framework Agreement

1.Saudi Aramco or its affiliate intends to become a strategic investor holding a minority interest in the Target Company. The parties intend to cooperate in terms of long-term purchase and supply of raw materials such as crude oil , sale of chemical and fuel products, and the license of high value-added technology, etc.

2.The foregoing terms only reflect the initial intention and principle of the

cooperation of the parties and shall have no binding effect.

3.The parties will carry out due diligence, audit and appraisal of the Target Company as soon as practical after the execution of the Framework Agreement.

D. Impact on Listed Company

1.The Company is a globally leading energy and chemical enterprise that has vertically integrated the whole industrial chain and been deeply engaged in the new energy and new materials business, which has a refining-petrochemical integration plant with a capacity of 16 million tons/year, a methanol-to-olefin (MTO) plant with a capacity of 2.4 million tons/year and a propane dehydrogenation (PDH) plant with a capacity of 700,000 tons/year, fully covering the oil-based, coal-based, and gas-head olefin production processes.

The parent company of the potential strategic investor is Saudi Aramco, an integrated international oil company with a long history and one of the largest oil producing companies in the world, mainly engaged in oil exploration, development, production, refining, transportation and marketing, with operations in the Kingdom of Saudi Arabia and around the world, as well as one of the Company's major suppliers of crude oil and other raw materials.

2.The Framework Agreement does not involve any specific amount and is only an initial intention reached between the parties through negotiations, which will have no material impact on the financial conditions and operating results of the Company for year 2023 without the execution of the formal agreements. If the formal cooperation agreements are eventually executed by the parties and successfully implemented, it is expected that the formal cooperation agreements will have a positive impact on the operations and development of the Company in the long run.

3.The execution of the Framework Agreement does not affect the business independence of the Company.

E. Related Risk Notice

1.The Framework Agreement is a strategic framework agreement that does not

create any legal obligation or formal commitments but only reflects the preliminary intentions and principle of cooperation between the two parties. Specific matters involved shall be determined by a series of legally binding definitive agreements entered into by the parties separately. That said, the progress of the subsequent negotiations between the parties and whether formal and legally binding agreements with respect to the cooperation can ultimately be concluded are highly uncertain. Investors are hereby reminded of investment risk.

2.The Board of Directors of the Company will pay active attention to the progress of this matter, and in case of any specific progress, the Company will perform the corresponding approval procedures of decision-making and information disclosure obligations in a timely manner in strict accordance with the relevant laws and regulations, normative documents and the articles of association of the Company.

F. Other Relevant Representations

1.To the extent that the company has disclosed any framework agreement or letter of intent in the last three years, none of such framework agreement or letter of intent fails to make subsequent or anticipated progress.

2.In the three months before the execution of the Framework Agreement, there is no change in the shareholding of the controlling shareholder(s), the shareholders holding 5% or more shares of the Company, directors, supervisors or senior executives. As of the disclosure date hereof, the Company has not received any notice from the controlling shareholder(s), the shareholders holding 5% or more shares of the Company, directors, supervisors or senior executives on their plan to reduce their shareholding or handling matters concerning the release of trading restrictions in the next three months.

G. Document Available for Inspection

1.Cooperation Framework Agreement.

The Announcement is hereby made.

JIANGSU EASTERN SHENGHONG CO., LTD.

(江苏东方盛虹股份有限公司)

Board of Directors

September 27, 2023