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Press Release

Suzhou, 21 December 2022

Jiangsu Eastern Shenghong Co., Ltd. prices its Global Depository Receipts (GDRs) offering on SIX Swiss Exchange AG representing A shares at USD 18.05 per GDR.

- Jiangsu Eastern Shenghong Co., Ltd. (the “Company” or “Eastern Shenghong”, together with its consolidated subsidiaries, the “Group”), a world-scale vertically integrated chemical platform in China with diversified product offerings, including renewable energy materials and performance chemicals, petrochemicals, and chemical fiber, today announces the successful pricing of its offering of global depository receipts (the “GDRs”) to be listed on SIX Swiss Exchange AG (“SIX Swiss Exchange”) (the “Offering”).
- The offer price was set at USD 18.05 per GDR, with one GDR representing an interest in ten A shares of the Company with a fully paid nominal value of RMB1.00 each (the “A Shares”).
- The underwriter syndicate successfully placed 39,794,000 GDRs.
- The Company will raise gross proceeds from the GDRs of approximately USD 718.3 million.
- The Company intends to use the net proceeds from the Offering (i) for expansion of production capacity for downstream materials for renewable energy applications and other new materials; (ii) to develop integrated refinery capability including to facilitate upstream raw materials procurement from global market; (iii) to fund potential investment, merger and acquisition projects and develop administration and marketing network outside mainland China; (iv) to invest in research to advance technology capabilities of product development, and (v) for working capital and other general corporate purposes

The GDRs will be listed in accordance with the Standard for Depository Receipts on SIX Swiss Exchange. The GDRs are expected to be listed and commence trading on SIX Swiss Exchange on or around 28 December 2022 (the “First Day of Trading”), under the ticker symbol of “DFSH”.

UBS AG, CLSA Limited and Huatai Financial Holdings (Hong Kong) Limited are the Joint Global Coordinators for the Offering. UBS AG, CLSA Limited, Huatai Financial Holdings (Hong Kong) Limited, and ABCI Securities Company Limited are the Joint Bookrunners for the Offering.



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Key Offering Data and Timetable

Offering Data	
Listing	SIX Swiss Exchange AG (Standard for Depository Receipts)
Ticker symbol	DFSH
Swiss security number (<i>Valorennummer</i>)	123.408.194
International Security Identification Number (ISIN)	US47737H1115
Final offer price	USD 18.05 per GDR
Nominal value	RMB 1.00 per A Share, 1 GDR representing an interest in ten A Shares
Final number of GDRs placed in the Offering	39,794,000 GDRs Pursuant to a letter of commitment dated December 20, 2022, the controlling shareholder of the Company and its controlling shareholder were indirectly allocated 27,700,000 GDRs (representing 277,000,000 A Shares).
Offering Timetable	
Publication of final offer price and final number of sale GDRs placed in the Offering	21 December 2022
First day of trading	On or around 28 December 2022
Payment and settlement	On or around 28 December 2022



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About Eastern Shenghong

Eastern Shenghong is a world-scale vertically integrated chemical platform in China. Founded in 1992, the Company has rich experience and expertise in renewable energy materials, and performance chemicals, petrochemicals and chemical fibers. Its transformational Shenghong Project has enabled a full vertical integration of its value chains with strong margin resilience across the cycle.

In 2021, Eastern Shenghong is the largest manufacturer of solar EVA in the world, with a market share of 23.4% globally and a market share of 34.4% in China in terms of consolidated capacity, and the largest manufacturer of AN in China with a market share of 24.7%, according to Frost & Sullivan. In petrochemical industry, Eastern Shenghong is one of the largest private companies in the petrochemical business in China. Shenghong Project, which is designed with a 16 Mt/y crude oil processing capacity, is equipped with the largest single refinery unit in China as well as atmospheric and vacuum distillation unit and hydrocracker with world leading scale. It started commercial production in November 2022 and is expected to achieve full-scale commercial production in December 2022. In the chemical fibers industry, the Company ranked first in China for DTY with a market share of 17.6% and also ranked first in China for recycled polyester filament with a market share of 26.3% in 2021, according to Frost & Sullivan.

Eastern Shenghong was listed on the Shenzhen Stock Exchange in May 2000 (ticker: 000301.SZ). After years of development, Eastern Shenghong has established strong connections with a large and high-quality customer base across each market in the industry and has formed in-depth customer insights. In the renewable energy materials and performance chemicals segment, the Company's fine chemical products such as EVA, AN, MMA and EO are exported mainly to overseas customers in South Korea, Japan and Southeast Asia. Downstream customers include well-known overseas customers such as LG Chem. In the petrochemicals segment, the Company's PTA is exported to countries and regions including Egypt, Turkey and Oman. In the chemical fiber segment, the Company's polyester yarns are exported mainly to South Korea, Japan and Southeast Asia. The quality of and technology applied to the Company's chemical fiber products have also been recognized by well-known downstream brand customers such as Adidas, Nike and Uniqlo.

Eastern Shenghong is continuously committed to its ESG strategies, placing the highest priority on environmental protection, social responsibility and corporate governance. The Company has been adhering to its "net zero carbon" goal and systematically carrying out green and sustainable initiatives with world-class standards. Such initiatives include CCUS project to recycle carbon dioxide into new materials, expansion of its recycled fiber production capacity, and investments in solar EVA production.



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Eastern Shenghong's business achieved robust growth from 2019 to 2021. Its revenue increased from RMB36,737 million in 2019 to RMB51,722 million in 2021, representing a CAGR of 18.7%. Eastern Shenghong recorded a revenue of RMB46,708 million for the nine months ended 30 September 2022, representing a growth of 16.2% from the same period in 2021.

For more information, visit <http://www.jsessh.com/en/>

Contact Information

For any inquiries, please contact the Company through email at: tzzgx@jsessh.com, or telephone: +86-512-63573480

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