

Jiangsu Eastern Shenghong Co., Ltd.

Shareholder Return Plan for the Next Three Years (2025-2027)

In order to improve and perfect the decision-making and supervision mechanism for scientific, sustainable and stable for dividend payment, proactively offer returns to investors, and guide investors to establish the concept of long-term investment and rational investment, Jiangsu Eastern Shenghong Co., Ltd. (hereinafter referred to as "the Company") has formulated the Company's *Shareholder Return Plan for the Next Three Years (2025-2027)* (hereinafter referred to as "the Plan") in accordance with the Company Law, the *Guidelines for Regulation of Listed Companies No. 3 - Cash Dividends of Listed Companies* and other laws, rules and regulations, as well as the Articles of Association and other relevant provisions, and in combination with the Company's profitability, business development plan, shareholder return and other factors.

Chapter I Principles of Profit Distribution

Article 1 The Company's profit distribution principles mainly include:

General principle of the Company's profit distribution: The Company adopts a continuous and stable profit distribution policy. In making profit distribution, the Company shall consider both reasonable returns to investors and its own sustainable development.

The specific contents include:

(1) The Company may distribute profits in the form of cash, shares or a combination thereof, or in other ways permitted by laws and regulations;

(2) In the conditions of the distributable profit of the Company in the current year is positive, the auditor will issue a standard and unqualified auditor's report on the Company's financial report for the year, and there is no major investment plan or major cash expenditure which meets the conditions for cash dividend distribution, the Company shall give priority to the distribution of profits in cash;

(3) The Company's profit distribution shall not exceed the scope of accumulated distributable profits or impair the Company's ability to continue as a going concern;

(4) If a shareholder illegally occupies the Company's funds, the Company shall deduct the cash dividends to be distributed to the shareholder to repay the funds occupied by the shareholder; and

(5) The Company shall distribute dividends to shareholders according to the number of shares held by them in accordance with the principle of "the same share enjoys the same interest".

Chapter II Conditions for Profit Distribution

Article 2 Except in special circumstances, the Company shall proactively promote cash dividend distribution if:

(1) The distributable profit realized by the Company in the current year is positive; and

(2) The auditor issues a standard and unqualified auditor's report on the Company's annual financial report.

Special circumstances refer to:

① The distributable profit per share realized in the current year is less than RMB 0.09.

② The Company has any major investment plans or major cash expenditures in the next 12 months (except for fund-raising projects).

Major investment plans or major cash expenditures refer to that the cumulative expenditures of the Company's proposed investment, acquisition of assets or purchase of equipment in the next 12 months exceed 30% of the Company's net assets in the latest audited consolidated statements, and exceed RMB50 million.

③ The asset/liability ratio in the audited consolidated statements in the current year exceeds 70%.

Chapter III Specific Return Plan for the Next Three Years

Article 3 Subject to the above conditions for cash dividend distribution, the Company shall proactively promote cash distribution.

Article 4 Subject to the conditions for cash dividend distribution, the Company shall, in principle, distribute cash dividends once a year for the next three years, and the board of directors of the Company may propose interim cash distributions according to the Company's profitability and capital status.

Article 5 The cumulative profits distributed in cash in the last three years shall not be less than 30% of the average annual distributable profit of the parent company realized in the last three years.

Except for special circumstances, the Company will distribute dividends in cash when it is profitable in the current year and the accumulated retained profit is positive,

and the profit distributed in cash each year shall not be less than 10% of the distributable profit of the parent company realized in the current year.

Article 6 The Company may distribute stock dividends while distributing cash dividends as above. When the Company adopts stock dividends for profit distribution, it shall offer shareholders reasonable cash dividend returns and maintain an appropriate share capital scale, and consider real and reasonable factors such as the growth of the Company and the dilution of net assets per share.

Article 7 The specific distribution ratio shall be proposed by the board of directors of the Company in light of the Company's operating conditions and development requirements, and be deliberated and decided by the general meeting of shareholders. After comprehensive consideration of the characteristics of the industry to which the Company belongs, and the Company's development stage, business model, profitability and major capital expenditure arrangements, if any, and other factors, the board of directors of the Company shall propose differentiated cash dividend policies for the following circumstances in accordance with the procedures stipulated in the Articles of Association:

(1) If the Company is in a mature development stage and has no major capital expenditure arrangement, the amount of cash dividends shall be at least 80% of the amount of profit to be distributed;

(2) If the Company is in a mature development stage and has major capital expenditure arrangements, the amount of cash dividends shall be at least 40% of the amount of profit to be distributed; and

(3) If the Company is in a growth development stage and has major capital expenditure arrangements, the amount of cash dividends shall be at least 20% of the amount of profit to be distributed.

Article 8 Where it is difficult to determine the Company's development stage but the Company has major capital expenditure arrangements, the provisions of Item 3 of the preceding paragraph shall apply.

Article 9 After a resolution on the profit distribution plan is made at the Company's general meeting of shareholders, the Board of directors of the Company shall complete the distribution of dividends or shares within two months after the plan is adopted at the general meeting of shareholders.

Chapter IV Decision-making Mechanism for Dividend Distribution

Article 10 When formulating the profit distribution plan, the Company shall

perform the following decision-making procedures:

(1) During the demonstration of the profit distribution plan, the board of directors shall fully discuss, carefully study and demonstrate the timing, conditions and minimum proportion for the Company's cash dividend distribution, the conditions for adjustment and the requirements of its decision-making procedures, etc., and form a profit distribution plan after considering the continuous, stable and scientific return to all shareholders. At the meeting of the board of directors on which the Company's profit distribution plan is deliberated, the plan shall be approved by more than half of the directors present at the meeting before it is submitted to the Company's general meeting of shareholders for deliberation. The proposal on the profit distribution plan to be deliberated at the general meeting of shareholders shall be passed by more than half of the voting shares held by the shareholders attending the meeting; and

(2) The Board of Supervisors shall review the profit distribution plan submitted to the general meeting of shareholders for deliberation and issue written opinions.

Article 11 The minutes of a meeting of the board of directors kept as the Company's archives shall record in detail the key points of the speeches of the directors attending the meeting, the voting results of the board of directors and other contents.

Chapter V Supervision and Restraint Mechanism for Dividend Distribution

Policy

Article 12 Supervision and restraint mechanism for the Company's dividend distribution policy:

(1) The Company will formulate a shareholder return plan for the next three years by comprehensively considering factors such as profitability, business development plan, shareholder return, social capital cost and external financing environment, to specify the specific arrangement and form of profit distribution in each period, cash dividend distribution plan and its time interval;

(2) If a shareholder illegally occupies the Company's funds, the Company shall deduct the cash dividends to be distributed to the shareholder to repay the funds occupied by the shareholder;

(3) If the board of directors of the Company fails to develop a cash profit distribution plan when the Company's profit in the current year meets the profit distribution conditions, the reasons for such failure shall be disclosed in the regular report;

(4) If the Company really needs to adjust the profit distribution policy, it shall start from the protection of shareholders' rights and interests to demonstrate and explain the reasons in detail. The adjusted profit distribution policy shall not violate the relevant provisions of the CSRC and the stock exchange. Opinions of independent directors shall be sought in advance for the proposal on adjusting the profit distribution policy, and the proposal shall be submitted to the general meeting of shareholders for approval after deliberation by the board of directors; The proposal on adjusting the profit distribution policy to be deliberated at the general meeting of shareholders shall be passed by more than two-thirds of the voting shares held by the shareholders attending the meeting, and the adjustment shall be explained in detail in the regular report of the Company; and

(5) The Company shall disclose the formulation and implementation of the profit distribution plan and cash dividend distribution policy in its regular reports in strict accordance with relevant regulations. If the Company is profitable in a year but fails to propose a cash dividend distribution plan, it shall also explain the reason for not distributing dividends, the purpose of and the plan for use of the funds retained by the Company and not used for dividend distribution; Specifically, the Company shall make special explanations on the following matters in its annual report:

① Whether the provisions of the Articles of Association or the requirements of the resolutions of the general meeting of shareholders are met;

② Whether the standard and ratio of dividend distribution are clear and definite;

③ Whether the relevant decision-making procedures and mechanisms are complete;

④ Whether the independent directors have performed their duties conscientiously and played their due role;

⑤ Whether the minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests have been fully protected.

If the cash dividend distribution policy is adjusted or changed, the Company shall also specify whether the conditions and procedures for the adjustment or change are compliant and transparent.

Chapter VI Supplementary Provisions

Article 13 Matters not covered herein shall be subject to relevant laws and

regulations, normative documents and the Articles of Association. The Plan shall come into force after being deliberated and approved at the general meeting of shareholders of the Company, and shall be interpreted by the board of directors of the Company.

Jiangsu Eastern Shenghong Co., Ltd.

April 2025