

Jiangsu Eastern Shenghong: 2023Q1 Results

Suzhou City, China, April 20, 2023

Jiangsu Eastern Shenghong Co., Ltd. (the "**Company**") today reported financial results for the first quarter FY2023.

- During the reporting period, the Company achieved revenue of RMB 29,534,484,781.56, an increase of 114.44% over the same period last year. The change is mainly due to the full production of the company's Shenghong Refining and Chemical Integration Project at the end of 2022, contributing about 16.5 billion yuan in operating income.
- During this reporting period, the Company achieved net profit attributable to shareholders of the listed company of RMB 717,218,243.78, an increase of 4.75% over the same period last year. The change is mainly due to the narrowing of the price difference between raw materials such as international crude oil and downstream products, the situation is still in recovery process.
- During this reporting period, the Company basic earnings per share decreased by 8.33% year-on-year, mainly due to the company's issuance of shares in 2022, resulting in an increase in share capital.
- During the reporting period, the Company achieved cash flow from operating activities of RMB 2,336,592,840.06, increased by 374.40% year-on-year, mainly due to the full production of the company's Shenghong Refining and Chemical Integration Project at the end of 2022 and the stable operation of the plant in 2023, bringing about the increase of cash flow from operating activities.
- The provision for impairment of assets in FY2023Q1 decreased the total profit of the Company's consolidated financial statement in FY2023Q1 by RMB285.2437 million.

1. Key accounting data and financial indicators

	This reporting period	Amount of the same period last year	Increase or decrease YoY (%)
Revenue (RMB Yuan)	29,534,484,781.56	13,773,163,373.11	114.44%
Net profit attributable to shareholders of listed company (RMB)	717,218,243.78	684,678,883.33	4.75%
Net profit attributable to shareholders of listed company after deduction of non-recurring profit and loss (RMB Yuan)	697,445,483.31	688,788,707.48	1.26%

Net cash flows from operating activities (yuan)	2,336,592,840.06	492,533,459.15	374.40%
Basic earnings per share (yuan/share)	0.11	0.12	-8.33%
Diluted earnings per share (yuan/share)	0.10	0.11	-9.09%
Weighted average rate of return on net assets	1.99%	2.47%	Decreasing by 0.48 ppt
	End of the reporting period	End of last year	Increase or decrease (%)
Total assets (RMB/Yuan)	175,194,351,262.95	166,511,713,405.78	5.21%
Owners' equity attributable to the shareholders of the listed company (Yuan)	36,429,925,156.21	35,700,833,600.61	2.04%

2. Provision for Asset Impairment on the Financial Position of the Company

To provide a true and accurate reflection of the Company's asset condition and financial position as of March 31, 2023, the Company and its subsidiaries conducted impairment tests on various assets based on the principle of prudence and made provisions for the possible asset impairment as of March 31, 2023. The details as below:

Unit: RMB10,000

Item	Provision
Bad debt provision	1,224.82
Provision for inventory impairment	27,299.55
Total	28,524.37

Note: The provision for asset impairment pertains to the reporting period from January 1, 2023, to March 31, 2023.

Our full announcement on Provision for Asset Impairment in 2023Q1 is available on our website at <https://www.jsessh.com/en/tzzcat/other-announcements/>

Detailed Reporting

The Company's Annual Report 2023Q1 can be downloaded via this link:

<https://www.jsessh.com/en/tzzcat/financial-statements/>

Contact Information

Name: Qinglin YIN

Phone: +86 13121381205

Email: tzzgx@jsessh.com

About Jiangsu Eastern Shenghong Co., Ltd.

Led by a visionary management team, Shenghong has established leading positions in business segments including 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 contains 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.