

Jiangsu Eastern Shenghong: 2024 Semi-Annual Results and Provision for Asset Impairment

Suzhou City, China, August 29, 2024

Jiangsu Eastern Shenghong Co., Ltd. (the "**Company**") today reported half year financial results of 2024.

- During the reporting period, the Company achieved revenue of RMB 72,833,561,598.67, an increase of 10.46% over the same period last year (after adjustment), net profit attributable to shareholders of the listed company of RMB 318,574,372.31, a decrease of 81.59% over the same period last year (after adjustment). Net cash flows from operating activities accounts to RMB 2,020,427,905.56, a decrease of 74.57% over the same period last year (after adjustment). The changes in revenue, profit and cash flow were mainly due to the narrowing price difference of certain products and the increase of costs rising by depreciation and corresponding financial expenses of the ongoing construction capitalization.
- The provision for impairment of assets of Half Year 2024 decreased the total profit of the consolidated financial statement in Half Year 2024 by RMB 603.1318 million. The Company conducted a comprehensive examination and impairment testing of various assets as of June 30, 2024. Based on the testing results, the Company made provisions for impairment for assets where impairment indicators were identified.

1. Key accounting data and financial indicators

	2024H1	2023H1		YoY increase or decrease
		Before adjustment	After adjustment ¹	After adjustment
Operating revenue (RMB)	72,833,561,598.67	65,899,893,060.67	65,933,747,465.47	10.46%
Net profit attributable to shareholders of the listed company (RMB)	318,574,372.31	1,680,483,560.98	1,730,794,190.06	-81.59%
Net profit attributable to shareholders of listed company after deduction of non-recurring profit and loss (RMB)	102,071,317.07	1,559,655,701.50	1,559,655,701.50	-93.46%
Net cash flows from operating activities (RMB)	2,020,427,905.56	7,585,483,535.61	7,946,408,639.58	-74.57%
Basic earnings per share (RMB/share)	0.05	0.25	0.26	-80.77%
Diluted earnings per share (RMB/share)	0.05	0.24	0.25	-80.00%
Return on weighted average net assets	0.90%	4.61%	4.67%	-3.77%
	End of the reporting period	As at the end of 2023H1		YoY increase or decrease
		Before adjustment	After adjustment	After adjustment

Total assets (RMB)	202,430,234,080.27	190,214,802,161.82	190,214,802,161.82	6.42%
Net assets attributable to shareholders of listed company (RMB)	35,061,958,918.08	35,451,093,147.62	35,451,093,147.62	-1.10%

Note: Retroactive adjustment of accounting data in 2023H1 was due to the Company's business combination under common control

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 June 30, 2024, 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 June 30, 2024. The details as below:

Unit: RMB '0,000

Items		Amounts
Credit impairment losses (losses expressed with "-")	Bad dept provision	-2,306.54
Assets impairment losses (losses expressed with "-")	Provision for inventory impairment	-58,006.64
Total		-60,313.18

Note: The provision for asset impairment pertains to the reporting period from January 1, 2024, to June 30, 2024.

Our full announcement on Provision for Asset Impairment of 2024 is available on our website at <https://www.jsessh.com/en/tzzcat/other-announcements/>

Detailed Reporting

The Company's 2024 Semi-Annual Report can be downloaded via this link:

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

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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.