

Jiangsu Eastern Shenghong: 2024 Annual Results and Provision for Asset Impairment and Profit Distribution Proposal and 2025Q1 Results

Suzhou City, China, April 28, 2024

Jiangsu Eastern Shenghong Co., Ltd. (the "**Company**") today reported financial results of 2024 full year and the first quarter of 2025.

- During 2024, the Company achieved operating revenue of RMB 137,674,557,166.85, a decrease of 1.97% over the same period last year and net loss attributable to shareholders of the listed company of RMB -2,296,841,255.74. Net cash flows from operating activities accounts to RMB 10,474,825,680.95. The changes in revenue, profit and cash flow of 2024 were mainly due to multiple factors such as fluctuations in international crude oil market prices and weak downstream demand in the petrochemical industry, the price differentials of parts of the Company's products have narrowed, resulting in a decline in the Company's operating performance compared to the same period last year.
- The provision for impairment of assets of 2024 decreased the total profit of the consolidated financial statement in 2024 by RMB 736.3994 million. The Company conducted a comprehensive examination and impairment testing of various assets as of December 31, 2024. Based on the testing results, the Company made provisions for impairment for assets where impairment indicators were identified.
- The Company did not achieve profitability in 2024. Considering the current external environment, future development plans, and funding needs, to ensure the normal production and operation of the Company, achieve sustainable, stable, and healthy development, and better safeguard the long-term interests of all shareholders, the Board of Directors has proposed the following profit distribution plan: no cash dividends will be distributed for the year 2024, no bonus shares will be issued, and no transfer of capital reserve to increase share capital will take place. This profit distribution plan for 2024 complies with the relevant provisions of the profit distribution policy in the *Guidelines for Regulatory Oversight of Listed Companies No. 3 - Cash Dividends of Listed Companies* issued by the China Securities Regulatory Commission and the Company's Articles of Association.
- During the first quarter of 2025, the Company achieved operating revenue of RMB 30,309,373,926.52, a decrease of 17.50% over the same period last year, net profit attributable to shareholders of the listed company of RMB 341,165,717.89. Net cash flows from operating activities accounts to RMB -2,691,660,545.33. The changes in revenue were mainly due to fluctuations in crude oil prices, some price of the Company products declined, resulting in a decline in the Company's revenue. In the first quarter of 2025, the Company benefited from product structure optimization and certain tax incentives, leading to an increase in profits.

1. Key accounting data and financial indicators of Full Year 2024

	Year 2024	Year 2023	YoY increase or decrease
Operating revenue (RMB)	137,674,557,166.85	140,439,738,058.63	-1.97%
Net profit attributable to shareholders of the listed company (RMB)	-2,296,841,255.74	717,031,594.87	-420.33%

	Year 2024	Year 2023	YoY increase or decrease
Net profit attributable to shareholders of listed company after deduction of non-recurring profit and loss (RMB)	-2,653,831,987.53	217,093,480.12	-1,322.44%
Net cash flows from operating activities (RMB)	10,474,825,680.95	8,342,940,306.17	25.55%
Basic earnings per share (RMB/share)	-0.35	0.11	-418.18%
Diluted earnings per share (RMB/share)	-0.35	0.11	-418.18%
Return on weighted average net assets	-6.73%	1.98%	Decreasing by 8.71ppt
	As at the end of 2024	As at the end of 2023	YoY increase or decrease
Total assets (RMB)	204,312,488,701.89	190,214,802,161.82	7.41%
Net assets attributable to shareholders of listed company (RMB)	34,033,834,904.63	35,451,093,147.62	-4.00%

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 December 31, 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 December 31, 2024. The details are as below:

Unit: RMB '0,000

Items		Amounts
Credit impairment losses (losses expressed with "-")	Bad debt provision	-904.58
Assets impairment losses (losses expressed with "-")	Provision for inventory impairment	-71,085.45
Assets impairment losses (losses expressed with "-")	Provision for construction in progress impairment	-1,649.91
Total		-73,639.94

Note: The provision for asset impairment pertains to the reporting period from January 1, 2024, to December 31, 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/>

3. Profit Distribution Proposal

The Company held the 26th meeting of the 9th Board of Directors and the 15th meeting of the 9th Board of Supervisors on April 27, 2024, which considered and unanimously approved the Proposal for Profits Distribution Plan of the Company in 2024.

The Company did not achieve profitability in 2024. Considering the current external environment, future development plans, and funding needs, to ensure the normal production and operation of the Company, achieve sustainable, stable, and healthy development, and better safeguard the long-term interests of all shareholders, the Board of Directors has proposed the following profit distribution plan: no cash dividends will be distributed for the year 2024, no bonus shares will be issued, and no transfer of capital reserve to increase share capital will take place. This profit distribution plan for 2024 complies with the relevant provisions of the profit distribution policy in the *Guidelines for Regulatory Oversight of Listed Companies No. 3 - Cash Dividends of Listed Companies* issued by the China Securities Regulatory Commission and the company's Articles of Association.

Our full announcement on Profit Distribution Proposal is available on our website at <https://www.jsessh.com/en/tzzcat/other-announcements/>.

4. Key accounting data and financial indicators of 2025Q1

	2025Q1	Same period last Year	YoY increase or decrease
Operating revenue (RMB)	30,309,373,926.52	36,738,885,261.85	-17.50%
Net profit attributable to shareholders of the listed company (RMB)	341,165,717.89	246,888,251.61	38.19%
Net profit attributable to shareholders of listed company after deduction of non-recurring profit and loss (RMB)	292,850,923.80	86,270,488.25	239.46%
Net cash flows from operating activities (RMB)	-2,691,660,545.33	981,011,987.36	-374.38%
Basic earnings per share (RMB/share)	0.05	0.04	25.00%
Diluted earnings per share (RMB/share)	0.05	0.04	25.00%
Return on weighted average net assets	1.00%	0.69%	Increasing by 0.31ppt
	2025Q1	Same period last Year	YoY increase or decrease
Total assets (RMB)	214,805,088,726.57	204,312,488,701.89	5.14%

	2025Q1	Same period last Year	YoY increase or decrease
Net assets attributable to shareholders of listed company (RMB)	34,573,217,106.73	34,033,834,904.63	1.58%

Detailed Reporting

The Company's 2024 Annual Report and 2025Q1 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, the Company 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 0.7 million 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.