

Stock code: 000301.SZ Stock abbreviation: Eastern Shenghong Announcement number: 2026-029  
Bond code: 127030 Bond abbreviation: Shenghong Convertible Bond

## Jiangsu Eastern Shenghong Co., Ltd.

### Announcement on Provision for Asset Impairment in 2025

The Company and all members of the Board of Directors warrant that the content of the information disclosure is true, accurate and complete, and there are no false representations, misleading statements or material omissions.

Jiangsu Eastern Shenghong Co., Ltd. (hereinafter referred to as “the Company”) held the 3<sup>th</sup> meeting of the 10<sup>th</sup> Board of Directors on April 27, 2026, which approved the Proposal of Provision for Asset Impairment in 2025. Based on the provisions of the *Shenzhen Stock Exchange's Guidelines for Self-Discipline Regulation of Listed Companies No.1 - Business Processing*, the Company’s Articles of Association, and the *Internal Control System for Provision for Asset Impairment and Loss Treatment*, this proposal does not require submission to the Shareholders’ Meeting for consideration. The details are announced as follows:

#### I. Overview of the Provision for Asset Impairment

In accordance with the *Accounting Standard for Business Enterprise* (the “ASBE”) and the Company’s relevant accounting policies, in order to objectively and fairly reflect the value of the Company’s assets, financial condition, and operating results, the Company conducted a comprehensive examination and impairment testing of various assets as of December 31, 2025. It conducted a thorough analysis and evaluation of any indications of impairment in the value of the relevant assets, and based on the testing results, the Company made provisions for impairment for assets where impairment indicators were identified. The total provision for impairment of various assets made by the Company in 2025 amounts to RMB484.3730 million. The details are as below:

Unit: RMB '0,000

Items		Amounts
Credit impairment losses (losses expressed with "-")	Bad debt provision	-6,018.40
Assets impairment losses	Provision for inventory impairment	-42,418.90

(losses expressed with "-")		
	<b>Total</b>	<b>-48,437.30</b>

Note: The provision for asset impairment pertains to the reporting period from January 1, 2025, to December 31, 2025.

## **II. Specific Information of the Provision for Asset Impairment**

### **1. Accounts Receivable**

In accordance with the ASBE and the Company's relevant accounting policies, the Company assessed the expected credit losses on account receivables as of December 31, 2025 and established a bad debt provision of RMB60.1840 million in 2025.

### **2. Inventory**

As of the balance sheet date, inventories are valued at the lower of cost or net realizable value. A provision for decline in the value of inventories is made if the cost is higher than the net realizable value.

The Company conducted impairment tests on its inventories as of December 31, 2025 and provided a provision for inventory impairment of RMB424.1890 million in 2025.

## **III. Impact of the Provision for Asset Impairment on the Financial Position of the Company**

The provision for impairment of assets in 2025 decreased the total profit of the Company's consolidated financial statement in 2025 by RMB484.3730 million. The provision made for impairment of assets in 2025 complies with the ASBE and the Company's relevant accounting policies. The amount of the provision for impairment of assets in 2025 has been audited by BDO CHINA Shu Lun Pan Certified Public Accountants LLP.

## **IV. Opinions of the Board of Directors**

The Company's provision for asset impairment is in compliance with the ASBE and other relevant regulations, reflecting the principle of prudence in accounting. The basis for the provision is adequate and in line with the actual situation of the Company. After the provision for impairment is made, the Company's financial condition and asset value can be more accurately reflected, resulting in more reasonable accounting information of the Company. The Board of Directors agreed that the Company should make provision for the impairment of assets.

## **V. Documents Available for Inspection**

1. Resolutions of the 3<sup>th</sup> Meeting of the 10<sup>th</sup> Board of Directors;

This is hereby announced.

**Jiangsu Eastern Shenghong Co., Ltd.**

**Board of Directors**

**April 28, 2026**