

Jiangsu Eastern Shenghong: 2023 Half Year Results and Provision for Asset Impairment

Suzhou City, China, August 10, 2023

Jiangsu Eastern Shenghong Co., Ltd. (the "**Company**") today reported financial results for the half year ended 30 June 2023.

- During the reporting period, the Company achieved revenue of RMB 65.8999 billion, an increase of 117.91% over the same period last year, net profit attributable to shareholders of the listed company of RMB 1.6805 billion, an increase of 3.21% over the same period last year. The increase in revenue and profit was mainly due to the full production of the company's Shenghong Refining & Chemical Integration Project.
- During the reporting period, The provision for impairment of assets in FY2023H1 decreased the total profit of the Company's consolidated financial statement in FY2023H1 by RMB 625.8309 million.

1. Key accounting data and financial indicators

	2023H1	2022H1	YoY increase or decrease
Revenue (RMB Yuan)	65,899,893,060.67	30,242,102,319.11	117.91%
Net profit attributable to shareholders of listed company (RMB)	1,680,483,560.98	1,628,239,039.50	3.21%
Net profit attributable to shareholders of listed company after deduction of non-recurring profit and loss (RMB Yuan)	1,559,655,701.50	1,595,824,621.39	-2.27%
Net cash flows from operating activities (RMB)	7,585,483,535.61	6,106,634,459.32	24.22%
Basic earnings per share (yuan/share)	0.25	0.27	-7.41%
Diluted earnings per share (yuan/share)	0.24	0.26	-7.69%
Return on weighted average net assets	4.61%	5.81%	Decreased by 1.20 ppt
	End of the reporting period	As at the end of 2022H1	YoY increase or decrease
Total assets (RMB/Yuan)	174,399,249,278.93	166,511,713,405.78	4.74%
Net assets attributable to shareholders of listed company (RMB)	36,800,761,678.13	35,700,833,600.61	3.08%

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, 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 June 30, 2023. The details as below:

(1) Accounts Receivable

In accordance with the Accounting Standard for Business Enterprise (the "ASBE") and the Company's relevant accounting policies, the Company assessed the expected credit losses on account receivables as of June 30, 2023 and established a bad debt provision of RMB4.7427

million in Half Year 2023.

(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 June 30, 2023 and provided a provision for inventory impairment of RMB621.0882 million.

Our full announcement on Provision for Asset Impairment in 2023H1 is available on our website at <https://www.jsessh.com/en/tzzcat/other-announcements/>

Detailed Reporting

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

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

Contact Information

Name: Chenghao Li

Phone: +86 15373978088

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.