

# Jiangsu Eastern Shenghong Co., Ltd.

## 2025 Semi-Annual Report



— August 2025 —



江苏东方盛虹股份有限公司  
Jiangsu Eastern Shenghong Co., Ltd.

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

## **Semi-annual Report 2025**

**August 2025**

## **Section I Important Notes, Table of Contents and Definitions**

**The board of directors, board of supervisors, directors, supervisors and senior officers of the Company undertake that the information presented in the semi-annual report is true, accurate and complete and does not contain false records, misrepresentations and major omissions and bear individual and joint liabilities.**

**Miao Han'gen, the legal representative of the Company, Yang Tianwei, the accounting principal, and Hu Guiyang, the head of the accounting department (person in charge of accounting), state: they ensure that the financial report in this semi-annual report is true, accurate and complete.**

**All directors have attended the board meeting at which this semi-annual report was considered.**

**The future plans and other forward-looking statements mentioned in this report do not constitute the Company's substantive commitments to investors. Investors and relevant persons should maintain adequate risk awareness and understand the differences between plans and forecasts and commitments.**

**The Company elaborates possible risks in "XI. Risks and countermeasures" of Section III of this report. Investors are advised to pay attention to read it.**

**The Company plans not to distribute cash dividends or bonus shares, neither capitalizing of common reserves for the report period.**

**This report is prepared in Chinese and English respectively. In case of any ambiguity between the Chinese and foreign versions, the Chinese version shall prevail.**

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## **List of Reference Documents**

- I. The financial statements signed by the legal representative, the accountant principal and head of the accounting department (person in charge of accounting) and sealed.
- II. Originals of all announcements and documents of the Company publicly disclosed on the website designated by the China Securities Regulatory Commission during the reporting period.
- III. Full text of the semi-annual report.
- IV. Other related information.

## Definitions

Term	Refers to	Definition
the Company, the Listed Company, Eastern Shenghong	Refers to	Jiangsu Eastern Shenghong Co., Ltd.
Shenghong Technology	Refers to	Jiangsu Shenghong Technology Co., Ltd., the controlling shareholder of the Listed Company
Shenghong Suzhou Group	Refers to	Shenghong (Suzhou) Group Co., Ltd., an enterprise controlled by the actual controller of the Listed Company and indirectly controlling Shenghong Technology
Shenghong Petrochemical	Refers to	Shenghong Petrochemical Group Co., Ltd., an enterprise controlled by the actual controller of the Listed Company
Bohong Industrial	Refers to	Lianyungang Bohong Industrial Co., Ltd., an enterprise controlled by the actual controller of the Listed Company
Shenghong New Materials	Refers to	Jiangsu Shenghong New Materials Group Co., Ltd., an enterprise controlled by the actual controller of the Listed Company and directly controlling Shenghong Technology
Petrochemical Industry Group	Refers to	Jiangsu Shenghong Petrochemical Industry Group Co., Ltd., 100% equity of which is controlled by the Listed Company
Sierbang Petrochemical	Refers to	Jiangsu Sierbang Petrochemical Co., Ltd., a holding subsidiary of the Listed Company
Hongjing New Materials	Refers to	Jiangsu Hongjing New Materials Co., Ltd., a holding subsidiary of the Listed Company
Hongke New Materials	Refers to	Lianyungang Hongke New Materials Co., Ltd., 100% equity of which is controlled by the Listed Company
Honggang Petrochemical	Refers to	Jiangsu Honggang Petrochemical Co., Ltd., 100% equity of which is controlled by the Listed Company
Shenghong Refining & Chemical	Refers to	Shenghong Refining & Chemical (Lianyungang) Co., Ltd., 100% equity of which is controlled by the Listed Company
Hongwei Chemical	Refers to	Jiangsu Hongwei Chemical Co., Ltd., 100% equity of which is controlled by the Listed Company
Petrochemical (Singapore)	Refers to	Shenghong Petrochemical (Singapore) International Co., Ltd., 100% equity of which is controlled by the Listed Company
Shenghong Petrochemical Port Storage and Transportation	Refers to	Shenghong Petrochemical (Lianyungang) Port Storage and Transportation Co., Ltd., 100% equity of which is controlled by the Listed Company
Guanghong Industrial	Refers to	Lianyungang Guanghong Industrial Co., Ltd., 100% equity of which is controlled by the Listed Company
Shenghong Chemical Fiber	Refers to	Jiangsu Shenghong Chemical Fiber New Material Co., Ltd., 100% equity of which is controlled by the Listed Company
Guowang Hi-Tech	Refers to	Jiangsu Guowang Hi-Tech Fiber Co., Ltd., a holding subsidiary of the Listed Company
Zhonglu Technology	Refers to	Jiangsu Zhonglu Technology Development Co., Ltd., a holding subsidiary of the Listed Company
Ganghong Fiber	Refers to	Jiangsu Ganghong Fiber Co., Ltd., a holding subsidiary of the Listed Company
Shenghong Fiber	Refers to	Suzhou Shenghong Fibers Co., Ltd., a holding subsidiary of the

Term	Refers to	Definition
		Listed Company
Suzhen Bioengineering	Refers to	Suzhou Suzhen Bioengineering Co., Ltd., a holding subsidiary of the Listed Company
Tangnan Sewage	Refers to	Suzhou Tangnan Sewage Treatment Co., Ltd., a holding subsidiary of the Listed Company
Reborn Technology	Refers to	Jiangsu Reborn Technology Co., Ltd., 100% equity of which is controlled by the Listed Company
Guowang (Suqian)	Refers to	Guowang Hi-Tech Fiber (Suqian) Co., Ltd., 100% equity of which is controlled by the Listed Company
Honghai New Materials	Refers to	Honghai New Materials (Suqian) Co., Ltd., 100% equity of which is controlled by the Listed Company
Jiangsu Shengze Gas Turbine Thermal Power	Refers to	Jiangsu Shengze Combustion Engine Cogeneration Co., Ltd., 100% equity of which is controlled by the Listed Company
Haiges New Energy	Refers to	Hubei Haiges New Energy Co., Ltd., 100% equity of which is controlled by the Listed Company
Rongtai Chemical Warehousing	Refers to	Lianyungang Rongtai Chemical Warehousing Co., Ltd., 100% equity of which is controlled by the Listed Company
Shengze Thermal Power Plant	Refers to	Jiangsu Eastern Shenghong Co., Ltd. Shengze Thermal Power Plant, a branch of the Listed Company
Integration project of Shenghong Refining & Chemical	Refers to	16 million tons refining and chemical integration project of Shenghong Refining & Chemical (Lianyungang) Co., Ltd.
EVA	Refers to	Ethylene-Vinyl Acetate copolymer, a common synthetic material widely used in fields such as foaming materials, functional shed films, films, hot melt adhesives, adhesives, wire and cable, and toys
POE	Refers to	Polyolefin Elastomer, a series of copolymers based on catalytic use of butene or octene copolymers by metallocene, as the main materials used in automobile exteriors and interiors, wire and cable coatings, extruded coatings, films, injection molding, medical products, adhesives, footwear and foams
UHMWPE	Refers to	Ultrahigh molecular weight polyethylene, a thermoplastic engineering plastic with excellent properties widely used in fields such as lithium battery separators, aerospace, ocean engineering, rail transit, and petrochemical
Acrylonitrile	Refers to	Acrylonitrile, a colorless liquid, as an important raw material for manufacturing ABS and other synthetic resins, nitrile butadiene rubber and other synthetic rubbers, acrylic fibers and other synthetic fibers, and other chemical products
MMA	Refers to	Methyl methacrylate, a kind of important chemical raw material mainly used in the production of polymethyl methacrylate and manufacturing of other resins, plastics, coatings, adhesives and other products
EO	Refers to	Ethylene oxide, an organic compound mainly used for manufacturing solvents, diluents, nonionic surfactants, synthetic detergents, antifreeze agents and disinfectants, and widely used in cleaning, pharmaceutical, and printing and dyeing industries

Term	Refers to	Definition
EOA	Refers to	Ethanolamine, mainly used in the manufacturing of chemical reagents, pesticides, medicine, solvents, dye intermediates, rubber accelerators, corrosion inhibitors and surfactants
EOD	Refers to	Ethoxy compounds, generated by the reaction of ethylene oxide with organic compounds containing active hydrogen in the presence of catalyst, including polycarboxylic acid water reducer monomers, and nonionic surfactants
MTO	Refers to	Methanol to Olefines, the process of producing low-carbon olefins using methanol as the raw material
PX	Refers to	Paraxylene, a colorless clear liquid used in the production of plastics, polyester fibers and films
MEG	Refers to	Monoethylene glycol, a colorless, odorless, sweet and viscous liquid mainly used in the production of polyester fibers, antifreeze, unsaturated polyester resins, lubricants, plasticizers, nonionic surfactants and explosives
PTA	Refers to	Purified terephthalic acid, a kind of low-toxicity and flammable white crystal or powder at room temperature that burns when it meets fire if mixed with air in a certain limit
EC	Refers to	Ethylene carbonate, an excellent organic solvent that can dissolve various polymers, and can be applied in lithium battery electrolytes and also be used as an active intermediate in the production of lubricating oils and lubricating greases.
DMC	Refers to	Dimethyl carbonate, an important organic synthetic intermediate that can be used in the field of chemical synthesis, such as the preparation of polycarbonate, medicines, and pesticides, and can also be used in the paint, coating and adhesive industries to replace some toxic solvents.
CHDM	Refers to	1,4-Cyclohexanedimethanol, a structurally symmetrical cycloaliphatic diol, which is an important raw material for synthetic resins, fibers, dyes and medicines, and is widely used in fields such as packaging, automobiles, medicine, electronics and electrical appliances, and construction.
PETG	Refers to	Polyethylene terephthalate-1,4-cyclohexanedimethyleneterephthalate, a transparent and non-crystalline copolyester which can be widely applied in fields such as sheet materials, film materials, high-performance shrink films, bottle materials and special-shaped materials.
PTT	Refers to	Polytrimethylene-terephthalate, a new type of polyester fiber, possessing the characteristics of polyester, nylon and acrylic. Besides having excellent anti-fouling performance, it is also easy to dye and be processed, and is elastic with the soft hand feel. It is suitable for use as textile and clothing fabrics.
PDO	Refers to	Propan-1,3-diol, a high-performance polymer material synthesized from monomers. It is the primary raw material for the production of unsaturated polyester, plasticizers, surfactants, emulsifiers and demulsifiers.
Polyester, polyester chip, PET	Refers to	Polyethylene terephthalate, a fiber-forming polymer made from PTA and MEG by esterification or transesterification and condensation polymerization. Fiber-grade polyester chips are used to manufacture polyester staple fibers and polyester filaments



Term	Refers to	Definition
POY	Refers to	PRE-ORIENTED YARN or PARTIALLY ORIENTED YARN, a partly drawn polyester filament obtained by high-speed spinning with the orientation between the unoriented yarn and the drawn yarn
DTY	Refers to	DRAW TEXTURED YARN, also known as polyester elastic yarn, made from POY by drawing and false twist texturing processing, with certain elasticity and contractility
FDY	Refers to	FULL DRAW YARN, also known as polyester traction yarn, a synthetic fiber filament further produced by the spin-drawing process. The fiber has been fully drawn and can be directly used for textile processing
GDR	Refers to	Global Depositary Receipts
Reporting period, current period	Refers to	From January 1, 2025 to June 30, 2025

## Section II Company Profile and Major Financial Indicators

### I. Company profile

Stock abbreviation	Eastern Shenghong	Stock code	000301
Stock exchange	Shenzhen Stock Exchange		
Chinese name of the Company	Jiangsu Eastern Shenghong Co., Ltd.		
Abbreviation of the Company in Chinese	Eastern Shenghong		
Name of the Company in foreign languages	Jiangsu Eastern Shenghong Co., Ltd.		
Abbreviation of the Company in foreign languages	EASTERN SHENGHONG		
Legal Representative of the Company	Miao Han'gen		

### II. Contact and contact information

	Secretary of Board of Directors	Securities affairs representative
Name	Wang Jun	Zhou Ying
Contact address	West Building, R&D Building, National Advanced Functional Fiber Innovation Center, No. 289, Dengzhou Road, Shengze Town, Wujiang District, Suzhou City, Jiangsu Province	West Building, R&D Building, National Advanced Functional Fiber Innovation Center, No. 289, Dengzhou Road, Shengze Town, Wujiang District, Suzhou City, Jiangsu Province
Tel	0512-63573866	0512-63573480
Fax	0512-63552272	0512-63552272
E-mail	jun.wang@jsessh.com	tzzgx@jsessh.com

### III. Other information

#### 1. Contact information of the Company

Whether the registered address, office address, postal code, website and e-mail box of the Company change or not

☐Applicable ☒Not applicable

There is no change in the registered address, office address, postal code, website and e-mail box of the Company during the reporting period. Please refer to the annual report for the year ended December 31, 2024, for details.

#### 2. Information disclosure and storage location

Whether the information disclosure and storage location change or not during the reporting period

☐Applicable ☒Not applicable

There is no change in the stock exchange website, media name and website for the disclosure of the semi-annual report of the Company and the storage location of the semi-annual report. Please refer to the annual report for the year ended December 31, 2024 for details.

#### 3. Other relevant information

Whether the other relevant information changes during the reporting period

☐Applicable ☒Not applicable

#### IV. Major accounting data and financial indicators

Whether the Company needs to retroactively adjust or restate the accounting data of previous years

☐Yes ☒No

	Reporting period	Same period of last year	YOY changes during the reporting period
Operating revenue (RMB)	60,916,418,734.57	72,833,561,598.67	-16.36%
Net profit attributable to shareholders of the listed company (RMB)	386,245,051.32	318,574,372.31	21.24%
Net profit attributable to shareholders of listed company after deduction of non-recurring profit and loss (RMB)	271,723,916.35	102,071,317.07	166.21%
Net cash flows from operating activities (RMB)	2,811,195,924.26	2,020,427,905.56	39.14%
Basic earnings per share (RMB/share)	0.06	0.05	20.00%
Diluted earnings per share (RMB/share)	0.06	0.05	20.00%
Weighted average return on equity of net assets	1.13%	0.90%	0.23%
	As at June 30, 2025	As at December 31, 2024	YoY increase or decrease
Total assets (RMB)	213,334,793,855.32	204,312,488,701.89	4.42%
Net assets attributable to shareholders of listed company (RMB)	34,544,056,848.08	34,033,834,904.63	1.50%

#### V. Accounting data difference between the domestic and overseas accounting standards

##### 1. Difference between net profits and net assets in the financial report disclosed in accordance with international accounting standards and Chinese accounting standards at the same time

☐Applicable ☒Not applicable

In the reporting period, there is no difference between net profits and net assets in the financial report disclosed in accordance with international accounting standards and Chinese accounting standards at the same time.

##### 2. Difference between net profits and net assets in the financial report disclosed in accordance with foreign accounting standards and Chinese accounting standards at the same time

☐Applicable ☒Not applicable

In the reporting period, there is no difference between net profits and net assets in the financial report disclosed in accordance with foreign accounting standards and Chinese accounting standards at the same time.

#### VI. Items and amounts of non-recurring gains and losses

☒Applicable ☐Not applicable

Unit: RMB

Item	Amount	Description
Profit or loss on disposal of non-current assets (including the reversal of previously accrued provision for impairment of assets)	-8,236,992.47	
Government grants included in the current profit or loss (except for government grants closely related to the normal business of the Company, in line with the policies and provisions of the State and those that have continuous influence on the Profits and losses of the Company according to the determined standards)	52,180,883.68	
The profit or loss from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and the profit or loss from the disposal of financial assets and financial liabilities, except the effective hedging related to the Company's normal business	77,124,180.39	
Other non-operating income and expenditures than the above-mentioned items	19,189,579.38	
Less: affected amount of income tax	23,840,191.37	
Affected amount of minority equity (after tax)	1,896,324.64	
Total	114,521,134.97	

Other items of profit or loss subject to the definition of non-recurring profit or loss:

☐Applicable ☒Not applicable

The Company had no other specific gain and loss items that meet the definition of non-recurring gains and losses.

Explanations on defining the non-recurring profit or loss listed in Explanatory Announcement for Information Disclosure by Companies Publicly Issuing Securities No. 1 - Non-recurring Profit or Loss

☐Applicable ☒Not applicable

There was no case in which non-recurring profit or loss listed in the Explanatory Announcement on Information Disclosure by Companies that Issue Securities to the Public No.1 - Non-recurring Profit or Loss was defined as recurring profit or loss.

## Section III Management Discussion and Analysis

### I. Information on the industry of the Company in the reporting period

#### (I) Stable operation of China's national economy with steady progress

Currently, China's economic development faces intricate and complex dynamics both domestically and internationally. Globally, transformative changes unseen in a century are accelerating, with the external environment becoming increasingly complex and challenging. Global economic growth lacks momentum. According to the World Economic Outlook released by the IMF in April 2025, the global economy is projected to grow by 2.8% and 3.0% respectively in 2025 and 2026—below the historical average of 3.7% (2000-2019). Intensifying unilateralism and protectionism, obstacles in multilateral trade systems, and the proliferation of tariff barriers are destabilizing global industrial and supply chains and impeding international economic circulation. Geopolitical tensions remain prevalent, adversely affecting global market sentiment and investment confidence while amplifying volatility risks in international markets. Domestically, the foundation for China's economic recovery remains uneven, with challenges including insufficient effective demand and transitional pains from shifting between traditional and new growth drivers. Overall, China's economic development presents both opportunities and challenges, and is now at the critical juncture of industrial upgrading toward mid-to-high-end sectors and achieving breakthrough momentum in transitioning between old and new growth drivers.

China possesses distinctive institutional advantages in economic development, including a mega-sized domestic market, a comprehensive industrial system, and abundant human capital. It has long-term planning, scientific macro-regulation, and coordinated governance mechanisms, coupled with vast potential from demand upgrading, structural optimization, and growth driver transformation. With a solid foundation, multiple advantages, strong resilience and great potential, China's high-quality development is steadily advancing. The basis for the sustained recovery and improvement of the Chinese economy has been further consolidated, and the supporting conditions and fundamental trends for long-term positive development remain unchanged. In the first half of 2025, China's national economy has made steady progress, achieved new achievements in high-quality development, and actively developed new quality productive forces, by which the comprehensive national power has continued to grow. According to the data released by the National Bureau of Statistics, the gross domestic product (GDP) in the first half of 2025 reached RMB 66.05 trillion, with a year-on-year growth of 5.3%, which exceeded the annual growth target of 5%. Industrial enterprises above designated size nationwide achieved operating revenue of RMB 66.78 trillion, up 2.5% year on year; and total profit of RMB 3.44 trillion, down slightly year on year. Since the beginning of this year, driven by the policy of exchanging old consumer goods for new ones, the domestic consumption demand has grown steadily and the consumption vitality has been released. In the first half of this year, China's retail sales of consumer goods totaled RMB 24.55 trillion, up 5.0% year-on-year. Investment demand remained stable with an upward trend, as national fixed-asset investment rose 2.8% year on year. While real estate investment remains subdued, infrastructure and manufacturing investments posted growth of 4.6% and 7.5% respectively. Import and export trade had demonstrated unexpected resilience amid growing global trade frictions and other challenges. In the first half of the year, total import and export volume reached RMB 21.79 trillion, up 2.9 percent year-on-year. Exports grew 7.2% to RMB 13 trillion, while imports declined 2.7% to RMB 8.27 trillion. Foreign trade maintained steady growth with optimized structure, and the trade surplus continued to widen. On the whole, in the first half of this year, China had adopted proactive macro policies with obvious results. Major economic indicators performed well, and the Chinese economy showed strong vitality and resilience.

#### (II) High-quality development of the petrochemical industry, making the whole chain layout a trend.

##### 1. The petrochemical industry is an important pillar industry of the national economy

As the blood of industry, petroleum has penetrated into every aspect of human economic and social activities. The petrochemical industry is an important pillar industry of China's national economy. Its upstream is mainly the exploration, exploitation and transportation of oil and gas, its midstream is the processing and manufacturing of oil refining and petrochemical products, and its downstream products are widely used in all walks of life, such as food, clothing, housing and transportation. As the most basic link in the petrochemical industry chain, crude oil refining and processing is the cornerstone of the whole petrochemical industry. According to the National Bureau of Statistics, China's crude oil output reached 108 million tons in the first half of 2025, marking a 1.3% year-on-year increase. The apparent consumption of oil and gas reached 385 million tons, growing by 0.7% year-on-year, while total consumption of major basic chemical products rose by 6.1% year-on-year. Overall, China's petrochemical industry maintained stable growth in both production and consumption.

##### 2. In the future, the refining and chemical industry will develop in a trend towards less oil and more

## chemicals, full-chain layout and innovation-driven development

In recent years, along with the high-quality development of the petrochemical industry in China, the scale concentration of the Chinese petrochemical industry, the degree of clustering of petrochemical bases, the whole technical level of the industry and the core competitiveness of the industry have realized the new span. By the end of 2024, China's oil refining capacity reached a record high of 930 million tons, staying at the top of the world rankings. Among this, 35 enterprises were equipped with the oil refining equipment boasting the annual capacity exceeding 10 million tons, collectively accounting for over 55% of the country's total refining output. By the end of 2024, China's ethylene production capacity reached 54.55 million tons per year, with actual output hitting 47.804 million tons. Notably, the total production capacity of 21 sets of ethylene plants with individual capacities exceeding 1 million tons accounted for approximately 50% of the nation's total ethylene production capacity. China's oil refining and ethylene plants have achieved greater concentration and enhanced global competitiveness. The mega-refineries (with 10-million-ton annual capacity) and ethylene plants (1-million-ton capacity) designed and constructed domestically and those with main equipment manufactured domestically now rank among the world's most advanced in terms of overall technological sophistication.

Since 2018, large refining and chemical projects in China have been designed and constructed in accordance with the integrated processing plan of refining, aromatics and ethylene, and supporting facilities for mutual supply and guarantee of refining and chemical raw materials and public works have been optimized. As one of the leading private refining and chemical enterprises in China, the Company has the single set atmospheric and vacuum distillation unit with the largest capacity of 16 million tons in China. The advanced production technology, higher utilization efficiency of raw materials and energy, and downstream chemical product layout in the integrated whole industry chain have enabled the Company to compete with international leading refining and chemical companies.

In September 2021, the CPC Central Committee and the State Council issued the Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy; the State Council issued the Circular on Issuing the Action Plan for Carbon Dioxide Peaking before 2030 (Guo Fa [2021] No.23); the National Development and Reform Commission issued the Opinions on Promoting Energy Conservation and Carbon Reduction in Key Sectors through Strict Energy Efficiency Constraints and the Action Plan for Promoting Energy Conservation and Carbon Reduction through Strict Energy Efficiency Constraints in Key Petrochemical and Chemical Industries (2021--2025); in May 2024, the State Council issued the 2024 - 2025 Plan for Energy Conservation and Carbon Reduction, while the National Development and Reform Commission issued the Special Plan for Energy Conservation and Carbon Reduction in the Oil Refining Industry, together with other sectors. The series of measures taken by the State aim to promote the petrochemical industry to undertake the important task of national energy supply and actively propel the implementation process of low-carbon transformation. The State has clearly put forward the strategic goal of controlling the domestic primary crude oil processing capacity within 1 billion tons and raising the utilization rate of main capacity to more than 80% by 2025. The above industrial policies will be conducive to further concentration of the domestic refining and chemical capacity to leading enterprises, and "petroleum reduction and chemical increase" of large petrochemical projects. "Whole-process refining and chemical integration" will be the trend of the future development of China's refining and chemical industry.

According to the overall deployment in the Petrochemical Industry Layout Plan released by the National Development and Reform Commission in 2015, China will focus on building seven petrochemical industry bases in Lianyungang, Jiangsu, Caofeidian, Hebei, Changxing Island, Dalian, Caojing, Shanghai, Ningbo, Zhejiang, Huizhou, Guangdong and Gulei, Fujian respectively. The seven bases that are all based on important channels for the import of offshore energy resources cover and radiate to key surrounding coastal development areas. The centralized construction of petrochemical parks can optimize the layout of upstream and downstream products, ensure supporting raw materials and public works for chemical production in parks, and improve the production efficiency, so as to promote the upgrading and green, safe and efficient development of the petrochemical industry. Located in Lianyungang Petrochemical Industry Base in Jiangsu Province, Shenghong Refining & Chemical positioned as a "powerful basic raw material support platform" opens up the industry chain of crude oil refining and high-end chemical industry, and can realize the mutual supply of most raw materials and products in Lianyungang Petrochemical Industry Base, greatly improving the production efficiency of the park and surrounding enterprises, and forming a good demonstration effect.

In October 2023, the National Development and Reform Commission, the National Energy Administration, the Ministry of Industry and Information Technology and the Ministry of Ecology and Environment jointly promulgated the Guiding Opinions on Promoting the Green, Innovative and High-quality Development of Oil

Refining Industry, requiring that, "it is imperative to further optimize the layout of regional refining capacity, promote the orderly concentration of new refining projects to petrochemical industrial bases, realize intensive agglomeration development, and make a sound coordination with ethylene and paraxylene (PX) projects", at the same time, clearly stating that "the scale of atmospheric and vacuum pressure units in new refineries shall not be less than 10 million tons per year", "it is required to promote the orderly elimination and withdrawal of atmospheric and vacuum distillation units with the capacity of 2 million tons/year and below that do not meet the national industrial policy in accordance with laws and regulations" and "eligible atmospheric and vacuum distillation units with a capacity of 2 million tons/year or less, mainly producing chemicals such as asphalt, and processing special crude oil or waste mineral oil, are allowed to be retained after being identified by relevant national authorities, and local authorities should perform a good job in the follow-up whole process supervision. If the energy efficiency is lower than the benchmark level or the level of environmental protection is low, and the energy efficiency still can't reach the benchmark level or the pollutants can't satisfy stable discharge standards after transformation and upgrading such as energy saving, carbon reduction and pollution reduction, the withdrawal thereof will be accelerated before 2025". Thereby, the realization of the overall goal that "by 2025, the primary processing capacity of domestic crude oil will be controlled within 1 billion tons, and the refining capacity of 10 million tons will account for about 55%" will be ensured.

On July 1, 2025, the sixth meeting of the Central Commission for Financial and Economic Affairs emphasized the need to advance the development of a unified national market. Efforts will focus on tackling key challenges, regulating unfair low-price competition among enterprises in accordance with laws, guiding enterprises to enhance product quality, and facilitating the orderly phase-out of outdated production capacity. On July 30, 2025, the Political Bureau of the CPC Central Committee emphasized the need to "advance the development of a unified national market, continuously optimize market competition order, regulate disorderly competition in accordance with laws and regulations, and promote capacity governance in key industries." The implementation of these meeting deployments will further facilitate the circulation of the national economy, enhance resource allocation efficiency, and strengthen endogenous drivers of China's economic growth. Amid policies of strictly controlling the further expansion of oil refining and ethylene capacity while phasing out outdated facilities, with the scale advantage, technological edge and resource superiority, large-scale petrochemical enterprises with full-chain layout, represented by the Company, can better grasp relevant policies and market opportunities and usher in new development opportunities in the course of industry adjustment.

### **(III) Stable development of the renewable energy industry**

#### **1. Global energy structure transformation is accelerating, and renewable energy develops rapidly with vast market potential**

With the accelerated transformation of global energy structure, the exploitation and utilization of renewable energy has become the only way of energy revolution. Developing renewable energy is not only an important measure to realize clean and low-carbon energy transformation, but also a fundamental and long-term solution to realize energy independence and ensure energy security.

In December 2023, the 28th Conference of the Parties (COP28) of the United Nations Framework Convention on Climate Change (UNFCCC) was held in Dubai, United Arab Emirates. The meeting called on all countries to take the following actions: by 2030, the global renewable energy installation capacity will triple and the global average annual energy efficiency will double; Before or around the middle of the 21st century, the realization of a net zero-emission energy system will be accelerated globally, zero-carbon and low-carbon fuels will be used, and the development of zero-carbon and low-carbon emission technologies will be facilitated, including the development of renewable energy, nuclear energy, and carbon capture, utilization and storage technologies; in the energy system, it is necessary to "transform" from fossil fuels in a fair, orderly and reasonable way, and accelerate these actions in this critical decade in order to scientifically achieve the goal of net zero emission in 2050. The COP29 conference held in Baku, Azerbaijan in November 2024 ultimately achieved a balanced package of outcomes titled the "Baku Climate Solidarity Pact". Nearly 200 participating parties broke years of multilateral deadlock, finally reaching consensus on carbon credit standards and their dynamic update mechanism for international carbon markets under Article 6 of the Paris Agreement. This marks the finalization of operational rules for international carbon market mechanism in Article 6 under the Paris Agreement, concluding the last outstanding element of the landmark accord. Additionally, the conference established frameworks for the Work Programme on Climate Change Mitigation and the Global Goal on Adaptation, further consolidating the global momentum toward green and low-carbon transition. In his closing plenary address, Zhao Yingmin, head of the Chinese delegation to COP29 and Vice Minister of Ecology and Environment, stated that China will continue implementing its national strategy for active climate response. The country remains committed to achieving its

carbon peaking and neutrality goals, intensifying South-South cooperation on climate change, and contributing to global green-low carbon development, climate resilience, and sustainable growth.

According to the IEA's Renewables 2024 report, global installed renewable energy capacity is projected to expand by 5,500 gigawatts (GW) by 2030—nearly triple the growth achieved between 2017 and 2023. China is projected to account for 60% of the world's new installed renewable energy capacity, cementing its position as the global leader in renewable energy development. IEA believes that China has technological and cost advantages and a long-term stable policy environment in the field of renewable energy. It plays an important role in promoting the global energy revolution, especially in reducing global solar power generation costs.

## **2. The photovoltaic industry will maintain steady growth in the future.**

### **(1) The photovoltaic industry's market potential is poised for sustained growth.**

In recent years, technological advancements in the photovoltaic industry have significantly reduced solar power generation costs, demonstrating strong growth potential. Global solar energy development has expanded rapidly, with China, the United States, and the European Union all prioritizing PV as a key renewable energy source. In 2023, more than 100 countries reached an important agreement at COP28. That is, in 2030, the global installed renewable energy capacity will triple, reaching at least 11,000 GW. Among them, the installed photovoltaic capacity will increase from 1055GW in 2022 to 5457GW in 2030. In May 2025, SolarPower Europe (SPE) released its Global Market Outlook for Solar Power 2025-2029, the global solar PV installations grow significantly, with installations expected to reach 655 GW in 2025 (up 10% year-on-year) and 930 GW by 2029. As a cornerstone of the renewable energy transition, the photovoltaic industry is poised for sustained capacity expansion in the coming years.

Amid the accelerating global energy transition, China's newly installed solar PV capacity has maintained steady growth. According to the data of China Photovoltaic Industry Association, in the first half of 2025, the newly installed photovoltaic capacity in China reached 212.21 GW, up 107% on year-on-year basis. As of June 30, 2025, the cumulative installed photovoltaic capacity reached 1,000 GW. Additionally, the Chinese government has rolled out a series of policies to boost green electricity consumption nationwide. On March 6, 2025, multiple ministries, including the National Development and Reform Commission (NDRC) and the National Energy Administration (NEA), jointly issued the Opinions on Promoting the High-Quality Development of the Renewable Energy Green Electricity Certificate Market. The green electricity certificate trading mechanism enables the monetization of the "environmental value" of photovoltaic power, which will further stimulate the demand expansion in the photovoltaic industry.

### **(2) Photovoltaic module packaging materials fully benefit from the continuous growth of the photovoltaic industry**

Photovoltaic film mainly used for the packaging of photovoltaic modules plays the role of bonding, provides structural support for modules, and has the role of protecting and enhancing the efficiency of cell slices. Photovoltaic modules work in the open air all year round, and their service life is usually required to be more than 25 years. Once the film of the cell module begins to turn yellow and crack, the cell will fail and be scrapped. There are very strict requirements for the photovoltaic film in terms of many material characteristics such as erosion resistance, heat resistance, low temperature resistance, oxidation resistance, and UV aging resistance. Therefore, photovoltaic film is one of the key factors that determine the product quality and service life of photovoltaic modules.

## **EVA**

EVA, made by polymerization of ethylene and vinyl acetate, is one of the important downstream products of ethylene. EVA is widely used in fields such as photovoltaics, foaming, wires and cables, and hot melt adhesives because of its high transparency, durability, adhesion, low melting point, easy processing and other characteristics. EVA production process uses the ultra-high pressure process, with the complicated process flow, high difficulty in equipment maintenance, and high difficulty in production. At present, the global EVA unit capacity is mainly concentrated in Asia, Western Europe, North America and the Middle East, and the unit capacity in Asia accounts for two thirds of the total global EVA production capacity. The integration of EVA industry in China is developing rapidly, and China is the country with the largest EVA production capacity in Asia and the world.

At present, the proportion of photovoltaic EVA in the downstream consumption demands for EVA products has exceeded 50%. Photovoltaic EVA is characterized by low crystal point, high melting index and high VA content (28%-33%). It takes at least certain period for the new EVA unit from successful operation to continuously



producing photovoltaic EVA particles with stable quality and output on a large scale, and there are higher requirements for the production management level and technology R&D ability of enterprises. According to the statistics of China Photovoltaic Industry Association, the output of photovoltaic modules in China exceeded 310 GW in the first half of 2025, representing a year-on-year increase of 14.4%. Benefiting from the continuous increase in downstream photovoltaic demand, the demand for photovoltaic EVA particles, which are the major raw materials of photovoltaic film, is also showing a steady growth trend.

The Company, as the leading enterprise in the domestic EVA industry, has the market share and technology level always leading in the industry. As at June 30, 2025, the Company has an annual EVA capacity of 900,000 tons, and its products can be used to produce photovoltaic EVA particles, with the product performance indicator reaching the advanced level of similar international products.

## POE

POE is a random copolymer elastomer of ethylene and high carbon  $\alpha$ -olefin. The commonly called POE mainly refers to ethylene-octene copolymer elastomer with the mass fraction of octene greater than 20%. POE, features ultraviolet aging resistance, and excellent heat resistance, low temperature resistance, and electrical insulation properties, is mainly used in fields such as automobile parts, photovoltaic, wires and cables, mechanical tools, and seals.

With the increasing market penetration of N-type cells and bifacial double glass modules in the downstream photovoltaic industry, the demand for POE film and EPE film continues to grow, which in turn drives the increase in demand for the raw material, POE particles. At present, the global POE supply is mainly monopolized by overseas companies such as Dow Chemical, ExxonMobil, Mitsui Chemicals and LG Chemical. Although domestic POE industrialization production faces many technical and industrial barriers, such as the supply of high carbon  $\alpha$ -olefin, the development of metallocene catalysts, and the breakthrough of solution polymerization technology, the process of localization and industrialization is accelerating.

After years of independent R&D, the Company completed the construction of the 800 tons/year POE pilot test unit in September 2022 and successfully produced qualified products. At present, the first large-scale POE industrialization unit is standing at the construction stage. The Company is one of the few domestic enterprises that have mastered the independent core production technology of both photovoltaic EVA and POE at the same time.

## 3. New energy vehicles and raw materials of their upstream lithium batteries grew steadily

In recent years, under the influence of multiple factors, such as the frequent introduction of favorable national policies, continuous iteration of battery technology, increasing mileage, and increasingly perfect infrastructure, consumers' recognition and acceptance of new energy vehicles have been significantly improved, and China's new energy vehicles have entered the fast lane of booming development. In the first half of 2025, China's new energy vehicle (NEV) sector reported robust growth, with production and sales reaching 6.968 million and 6.937 million units respectively, both surging over 40% year-on-year, according to data from the China Association of Automobile Manufacturers (CAAM). NEVs accounted for 44.3% of all new car sales during this period. China's new energy automobile industry continues to maintain rapid growth and has become an important force leading the transformation of the global automobile industry. The rapid expansion of the NEV sector has driven ever-growing demand for lithium battery materials across the upstream supply chain.

With the proposal of the goal of carbon dioxide peaking and carbon neutrality, the strategic position of renewable energy represented by photovoltaic and wind power has become prominent. Energy storage, as a key technology to support the development of renewable energy, is also developing rapidly. In recent years, national policies have strongly supported the development of the energy storage industry. According to the Implementation Plan for the Development of New Energy Storage in the 14th Five-year Plan Period, the Outline of the 14th Five-year Plan for National Economic and Social Development and the Long-range Objectives Through the Year 2035 for the People's Republic of China, and the Guiding Opinions of the National Development and Reform Commission and the National Energy Administration on Accelerating the Development of New Energy Storage and other documents: by 2025, new energy storage will enter the stage of large-scale development from the initial stage of commercialization and be ready for large-scale commercial application. By 2030, new energy storage will be fully market-oriented. Market mechanisms, business modes and standard systems are mature and sound, and can basically meet the needs of building a new electric power system.

Based on the continuous enabling and new material development of its large chemical platform over the years, the Company continues to focus on the fields of new energy and new materials. At present, the Company has carried

out its layout in the upstream raw material field of lithium-ion batteries, and its related products involve key links of key battery raw materials such as separators and electrolyte solvents.

#### **(IV) Stable recovery of the polyester chemical fiber industry**

##### **1. The concentration of the polyester chemical fiber industry tends to improve, and differentiated and diversified product competition has become a trend**

The textile and chemical fiber industry is the pillar industry of China's national economy and social development, the basic industry to solve people's livelihood problems and beautify life, as well as the advantageous industry of international cooperation and integrated development. As the chemical fiber category with the largest proportion in China, polyester filament is an important raw material in the textile and garment industry. It has the characteristics of high strength, good elasticity, heat resistance, wear resistance, corrosion resistance, smooth surface and so on. It is widely used in clothing fabrics, lining materials, and other clothing materials and decorative materials. In industrial applications, polyester filament yarn finds usage across multiple sectors including construction, packaging, protective equipment, and agricultural/fishery gear. In the first half of 2025, China's textile industry demonstrated steady growth, with value-added output of major textile enterprises above designated size rising 4.1% year-on-year. The profitability of the textile industry continued to improve, while retail sales of clothing, footwear, hats and textiles by major retailers above designated size grew 3.1% year-on-year, reflecting the stable expansion of such market, as supported by the gradual effect of national consumption stimulus policies. However, in this context, differentiated and functional polyester fibers are also facing a new round of growth demand. The structural adjustment and variety improvement of the polyester filament industry promote the sustainable development of the industry.

The industrial concentration of polyester filament has gradually increased. The CR6 capacity of the domestic polyester filament industry accounts for about 70% of the total capacity of the industry. It is expected that the industrial concentration of polyester filament will be further improved in the future. The competition in polyester filament industry is changing from "price and quality" to "high-tech and brand competition oriented" comprehensive strength competition. From the overall development trend of the polyester filament industry, supply-side structural reform and improvement of green manufacturing level have gradually become the main line of transformation and upgrading of the polyester chemical fiber industry. Domestic leading filament enterprises continue to strengthen the core of competition and enhance the core competitiveness in their own advantageous product fields, showing significant differentiated competition among them. At the same time, the gradual improvement of industry concentration is also conducive to the formation of orderly expansion and differentiated and diversified competition among leading enterprises.

##### **2. Under the background of carbon neutrality, recycled polyester fiber has a broad market space**

Recycled polyester fiber is produced through a regeneration process such as melt direct spinning using recycled polyester bottle chips, filament waste, waste fabric and other raw materials, and is ultimately used in many fields such as apparel and home textiles. Compared with the traditional production process, the recycled fiber reduces the granulation, drying, re-melting and other traditional processes and can thus save 30% to 40% energy, and the quality and performance of recycled fiber is no less than virgin fiber. Recycled polyester fiber can effectively solve the problem of environmental pollution after polyester products are discarded, which realizes the effective use of resources and becomes a typical representative of the industrial chain circular development and the secondary development and utilization of waste resources.

As a leading enterprise in the recycled polyester fiber industry, the Company relies on independent R&D to solve a series of technical difficulties such as key technology of melt viscosity homogenization, high-capacity production of recycled fibers, and long-cycle polymerization operation, and takes the lead in completing the world's first melt direct spinning device from bottles to spinning, and has begun the mass production of recycled fibers in 2018. The Company's total capacity of recycled polyester fiber is about 600,000 tons/year, forming the world's largest production base of recycled polyester fibers. Downstream customers have been widely covered by more than 30 well-known brands such as Decathlon, Nike, Uniqlo, Adidas, Li Ning, etc. , and the popularity and promotion of recycled fibers are accelerating in its end consumer market. In July 2025, the Company was invited to participate in the United Nations High-level Political Forum on Sustainable Development (HLPF), where it presented its achievements in developing a recycled polyester fiber industrial chain as an industry representative. The product recognition and industrial maturity of the Company's recycled polyester fiber are steadily improving.

## II. Primary business during the reporting period

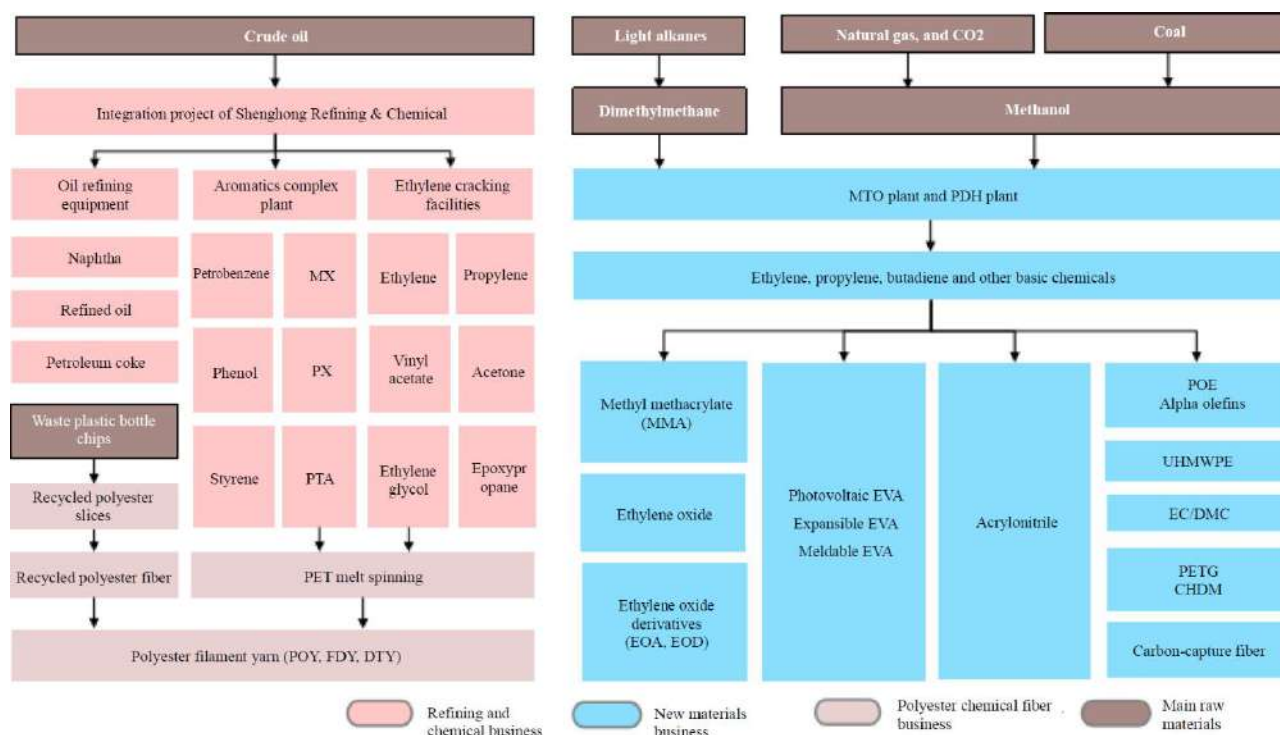
### (I) Overview

The Company is a global leading energy and chemical enterprise with vertical integration of the whole industry chain and in-depth layout of new energy and new material business. The Company has been engaged in the fields of new energy, new materials, petroleum refining and chemical, and polyester chemical fiber for many years, has diversified olefin production processes, and has gradually formed a energy and chemical industry complex with vertical integration of the whole industry chain, forming a "1+N" industrial layout that extend into diversified industry chains such as new energy, new materials, electronic chemistry, and biotechnology, based on the "large chemical" comprehensive chemical raw material supply platform built relying on refining and chemical integration, alcohol-based polygeneration and propane industry chain projects.

From the industrial chain upstream and downstream relationship, the upstream refining plate is the basic raw material guarantee platform for downstream polyester chemical fiber industry and new material industry. Petrochemical raw materials such as ethylene, propylene, PX, benzene, vinyl acetate, ethylene glycol, phenol, acetone and other petrochemical raw materials produced by Shenghong Refining & Chemical's 16 million tons/year refining and chemical integration project can basically meet the raw material demand of downstream PET, polyester chemical fiber, acrylonitrile, ethylene oxide, EVA, propylene oxide and other products.

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 R&D, and process route selection of downstream high-end petrochemical products; and has gave full play to the advantages of scale operation, reduce the operational risks caused by cyclical fluctuations in the industry, and better achieve anti-cyclical and cross-cyclical sound development.

**Diagram of industry chain matrix under the "1+N" development strategy planning**



### (II) Introduction of main business sectors

#### 1. Petrochemical and chemical new materials

The petrochemical and chemical new material production base of the Company is located in Xuwei New Area, Lianyungang, one of the "Seven National Petrochemical Bases", and its operating subjects include Shenghong Refining & Chemical, Sierbang Petrochemical and Honggang Petrochemical. Among them, Sierbang

Petrochemical and Honggang Petrochemical were recognized as national "green factory".

### (1) Refining and petrochemical business

As the core raw material supply platform of the Company's "1+N" strategic industrial layout, the 16 million tons/year Shenghong refining and chemical integration project has the largest single-scale atmospheric and vacuum distillation unit in China, with a processing capacity of 16 million tons/year. The main refining and petrochemical products of the Company include 1.1 million tons/year of ethylene, 2.8 million tons/year of PX, 1.9 million tons/year of ethylene glycol, 0.3 million tons/year of vinyl acetate, 0.4 million tons/year of phenol, 0.25 million tons/year of acetone, 0.45 million tons/year of styrene, 0.2 million tons/year of epoxypropane, 0.115 million tons/year of polyether polyol and other basic chemical products.

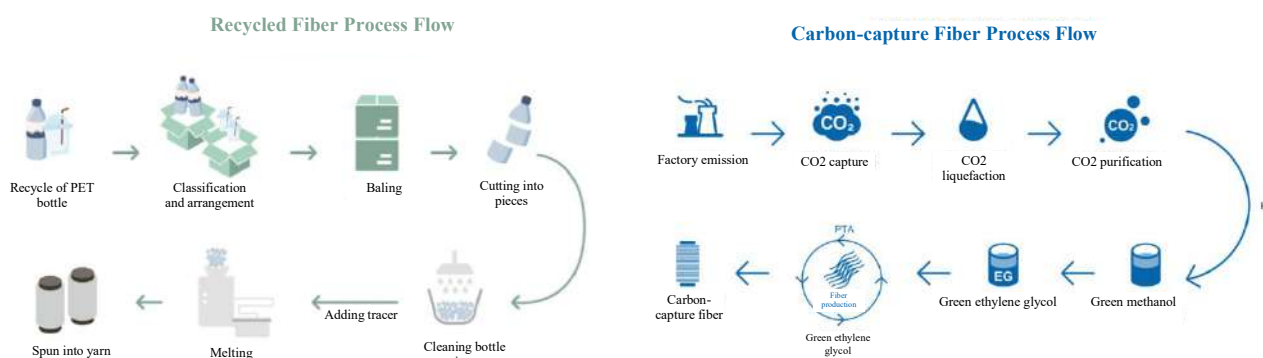
### (2) New energy and new materials business

Sierbang Petrochemical, as the main operating entity of chemical new energy and new materials of the Company, has formed a diversified product structure with coordinated development of ethylene, propylene and derivative fine chemicals. By the end of the first half of 2025, Sierbang Petrochemical had a MTO production capacity of 2.4 million tons/year, which was the world's largest single set of alcohol-based poly-generation unit; it also owns capacity of 0.7 million tons/year of PDH, 1.04 million tons/year of acrylonitrile, 0.9 million tons/year of EVA, 0.34 million tons/year of MMA, 0.3 million tons/year of EO and its derivatives, and other fine chemical products. The total capacity of acrylonitrile ranked first in China; meanwhile, Sierbang Petrochemical became a leading company in the EVA industry.

## 2. Polyester chemical fiber

The Company has established chemical fiber production bases in Suzhou and Suqian respectively, with a polyester filament capacity of 3.60 million tons/year. The products are mainly differentiated DTY. The total capacity of recycled polyester fiber is about 600,000 tons/year, becoming the world's largest producer of recycled polyester fibers. Guowang Hi-Tech, the main operating body of the polyester chemical fiber segment, was named a national "green factory".

Rooted in the strategy of mismatch competition, the Company focuses on the development and production of ultrafine fibers and differentiated functional fibers, and is known as the "global expert in differentiated fibers". The Company leads the establishment of the national advanced functional fiber innovation center, and has built up an industry chain of world-leading bio-based PDO monomer, PTT fiber and recycled polyester fiber with complete independent intellectual property rights. The Company, as a leading enterprise in green fiber products, took the lead in launching the "recoer" brand for carbon-capture fibers. This innovative product utilizes carbon capture technology to capture CO<sub>2</sub> discharged by factories and convert CO<sub>2</sub> into green ethylene glycol, which is then polymerized with PTA to produce the carbon-capture fiber, significantly reducing carbon emissions throughout the production process.



## (III) Main products and business modes

In the reporting period, the Company's main business included R&D, production and sales of petrochemical and chemical new materials and polyester filaments. Main products and business models are as follows:

Product name	Subsector	Upstream raw material	Downstream application field
Refined oil	Petroleum refining	Crude oil	Mainly used as the fuel for a variety of fuel power equipment and heating
Ethylene	Chemical materials and chemical products manufacturing	Crude oil and methanol	One of the most important chemical products with the world's largest output, and the basic chemical raw material for synthetic fiber, synthetic rubber, and synthetic plastic
Propylene	Chemical materials and chemical products manufacturing	Crude oil, methanol, propane	One of the most important chemical products, mainly used in the production of polypropylene, and of acrylonitrile, propylene oxide, acrylic acid, and synthetic glycerol, etc.
Benzene	Chemical materials and chemical products manufacturing	Crude oil	Basic petrochemical raw materials; downstream products mainly include styrene, caprolactam, phenol, and MDI, etc. , widely used in synthetic rubber, plastics, fibers, dyes, medicine and other fields PX
PX	Chemical raw materials and chemical products manufacturing industry	Crude oil	The main raw material of PTA, used in the production of plastics, polyester fibers and films
Ethylene glycol	Chemical materials and chemical products manufacturing	Ethylene oxide	Mainly used in the production of polyester, polyester, antifreeze, plasticizers, surfactants, etc.
PTA	Chemical raw materials and chemical products manufacturing industry	PX	One of the important bulk organic raw materials, mainly used in the production of polyester fibers (terylenes), polyester bottle chips and polyester films, widely used in chemical fibers, light industry, electronics, construction and other fields
EVA	New chemical materials	Ethylene, vinyl acetate	The main raw material of films for photovoltaic module packaging. Widely used in photovoltaic films, foamed shoe materials, wires and cables, hot melt adhesives, coated films, agricultural films and other fields
UHMWPE	New chemical materials	Ethylene	A thermoplastic engineering plastic with excellent properties, widely used in lithium battery diaphragm, aerospace, ocean engineering, rail transportation, petrochemical and other fields
Acrylonitrile	New chemical materials	Propylene	Widely used in the production of ABS, nylon 66, carbon fiber, polyacrylamide, acrylic fiber and other engineering plastics and chemical fibers
Methyl methacrylate	New chemical materials	Acetone, hydrocyanic acid (acrylonitrile byproduct)	Mainly used in the production of organic glass, often used in the manufacturing of resins, plastics, and coatings, widely used in automobile, aviation, electronics, optical supplies, building materials and other fields

Product name	Subsector	Upstream raw material	Downstream application field
Ethylene oxide	New chemical materials	Ethylene	Mainly used in the manufacturing of ethylene glycol, widely used in electronics, medicine, pesticide, textile, paper, automobile, and petroleum mining and refining fields
Vinyl acetate	Chemical raw materials and chemical products manufacturing industry	Ethylene	Mainly used for the production of EVA and other products, and widely applied in the fields of textiles, light industry, papermaking, construction and automobiles.
Phenol	Chemical raw materials and chemical products manufacturing industry	Benzene and Propylene	Mainly used in the production of resins, fungicides, preservatives and drugs (such as aspirin), etc., and widely used in chemical raw materials, synthetic fibers, plastics, synthetic rubber, medicine, coatings and other fields
Acetone	Chemical raw materials and chemical products manufacturing industry	Benzene and Propylene	Mainly used as a solvent, and widely used in explosives, plastics, rubber, fiber, leather, grease, spray paint and other fields
Styrene	Chemical raw materials and chemical products manufacturing industry	Benzene and Ethylene	Mainly used in foamed polystyrene, polystyrene, ABS resin, synthetic rubber, unsaturated polyester resin and styrene copolymer, and widely used in synthetic resin, plastic products, synthetic fiber and other fields
Epoxypropane	Chemical raw materials and chemical products manufacturing industry	Benzene and Propylene	Mainly used in the production of polyether polyols, propylene glycol and all kinds of non-ionic surfactants, and can be used in petroleum, chemical, pesticides, textile and other fields
Polyether Polyol	New chemical materials	Epoxypropane	Mainly used in the production of polyurethane foams, elastomers, coatings, adhesives and sealants, and can be used in textile, electronics, medical and other fields
POY	Polyester fiber manufacturing	PTA, MEG, plastic bottle chips	Partly drawn polyester filament obtained by high-speed spinning with the orientation between unoriented filament and drawn filament
FDY	Polyester fiber manufacturing	PTA, MEG, plastic bottle chips	Synthetic fiber filament further produced by the draw-spinning process. The fiber has been sufficiently drawn and can be directly used in textile processing
DTY	Polyester fiber manufacturing	PTA, MEG, plastic bottle chips	Made from POY through drawing and false twist texturing processing, often with certain elasticity and contractility

## 1. Petrochemical and new chemical materials

### (1) Production process

The production processes of refined oil and petrochemical products of the Company mainly include atmospheric distillation, vacuum distillation, delayed coking, hydrocracking, hydrotreating and catalytic reforming.

By relying on main large refining, MTO and PDH units, new chemical materials, the core raw materials of which mainly include crude oil, methanol and propane, are used to produce ethylene, propylene and other olefin products and finally produce acrylonitrile, methyl methacrylate, EVA and EO and their downstream derivatives with olefins as the intermediate product.

## **(2) Purchasing mode**

Main raw materials of refined oil, petrochemical chemical products and new chemical materials include bulk commodities such as crude oil and coal as well as bulk basic chemical raw materials such as methanol, propane and vinyl acetate. Procurement plans, prepared on an annual and monthly basis, are mainly in the long-term agreement mode and the spot mode. Meanwhile, a specific procurement and inventory management plan for the next month shall be prepared each month on a rolling basis according to the actual needs of the operation of the units and the market supply and demand of raw materials, and be supplemented by the spot procurement mode, so as to improve procurement flexibility and better control procurement costs.

## **(3) Sales mode and settlement mode**

The main sales mode is direct selling. Among others, for large customers and quality customers with good development potential, direct selling is generally adopted to ensure direct connection and communication with quality customers, so as to better respond to customer needs. Also, sales are made to small and medium-sized customers through spot, direct selling by short-term orders, traders and other ways.

The settlement mode mainly adopts the delivery against payment mode, that is, delivery will be arranged when the payment or bill from the customer is received. For a small number of customers with long-term cooperation, good credit level and controllable risks, they may be given a certain credit period as appropriate after internal review, and the marketing team shall conduct continuous credit risk assessment and payment collection.

## **(4) Profit model**

The Company makes profits mainly from selling its products to customers in various downstream application areas. Through the adoption of internationally advanced technology and equipment, comprehensive utility facilities, scale production effect, fine production management, etc., the Company improves production efficiency, improves the stability of product quality, reduces production costs and enhances its profitability. Meanwhile, with the commissioning of Shenghong Refining & Chemical Integration Project, the Company also actively expands the category of downstream chemical products and increases the added value of products, so as to continuously meet the needs of downstream customers and further promote its overall profitability.

# **2. Polyester chemical fiber**

## **(1) Production process**

The Company's polyester filament products are mainly produced by the direct melt spinning process and the chip spinning process. In the direct melt spinning process, polymer melt is used as the raw material to directly produce polyester filament through the spinning process. It can reduce material loss and energy consumption and is suitable for large-scale production of filament products. The chip spinning process uses polyester chip drying and remelting to produce filament products. It is characterized by flexible work commencement and is suitable for the R&D of new products and small batch production of functional and differentiated chemical fiber products with high added value, such as recycled fiber, two-component elastic fiber and sea island silk products.

## **(2) Purchasing mode**

The main raw materials of primary silk are PTA and MEG, and the main raw materials of recycled silk are plastic bottle pieces. The Company establishes and improves the procurement process and conducts procurement in strict accordance with the procurement process.

Based on the judgment of macroeconomic and market conditions, comprehensive quotations of qualified suppliers, settlement mode and other factors, and by virtue of its own scale advantages, the Company signs long-term framework agreements with suppliers and generally adopts the monthly pricing method, thus reducing the price fluctuation risk of raw materials to a certain extent. Meanwhile, minor adjustments are made according to the production plan, and temporary orders are added as a useful supplement to the long-term procurement by agreement.

## **(3) Sales mode and settlement mode**

The products are mainly sold in the domestic market, and sold to more than 30 countries and regions, including South Korea, Turkey, Vietnam, Pakistan and Italy.

Direct selling is adopted for domestic sales business and export are realized through a unified sales platform. The settlement mode of payment before delivery is generally adopted. A small number of domestic and export customers with a large purchase quantity and good credit will be given a certain credit period. The unified sales platform has established long-term stable and win-win strategic partnerships with important customers, signed long-term framework contracts, and conducted settlements according to the market conditions at daily quotations.

Direct selling is also adopted for export business, which is mainly conducted by the foreign trade departments. Overseas customers make inquiries and communicates by e-mail, and the Company offers quotations to them. Both parties sign contracts after they confirm the prices. Overseas sales mainly adopt the letter of credit as the collection method, which is supplemented by telegraphic transfer and collection settlement, to guarantee the security of the collection.

#### **(4) Profit model**

Profits are realized by purchasing raw materials such as PTA, MEG or plastic bottle chips, processing them into polyester filament products, and selling the products to downstream customers for the production of textiles. Through scale production and fine management, the Company improves production efficiency, reduces product costs, improves the functionalization rate and differentiation rate of products, enhances the added value of products and thus enhances its overall profitability.

#### **(IV) Operational measures during the reporting period**

Since the beginning of this year, global geopolitical conflicts have been delayed and escalated, international trade frictions have heated up, and unilateralism and protectionism have intensified, leading to the blockage of the multilateral trading system and impacting the stability of the global industrial chain and supply chain. The aforementioned adverse factors have also adversely affected the industry in which the Company operates. According to data from the China Petroleum and Chemical Industry Federation, the petrochemical industry achieved operating income of 7.77 trillion yuan in the first half of 2025, a year-on-year decrease of 2.6%; total profits reached 381.03 billion yuan, a year-on-year decrease of 10.3%; and the total import and export volume was 441.43 billion USD, a year-on-year decrease of 6.9%. In the face of these challenges, the Company actively responded to the policy call, deployed the innovation chain and laid out the industrial chain by closely focusing on the national strategic transformation direction, and by grasping the "high-end, digital-intelligent and green" development direction of the manufacturing industry and relying on the large chemical raw material platform integrating coal, oil and gas as its main raw materials, strove to strengthen the core competitive advantage of the industry, to improve the industrial chain support capacity of the high-end chemical raw material supply platform; continued to deepen downstream development, accelerated the cultivation of industrial clusters in high-end new energy, new materials and fine chemicals, and made effort to plan and arrange new energy, new materials, and green and low-carbon industries with new quality productivity characteristics, guided by differentiation, technological innovation, high value-added and green environmental protection; accelerated the transformation of the industry driven by artificial intelligence, developed and deepened the application of Shenghong intelligent platform, promoted the improvement of production efficiency, optimized resource allocation, and reduced operating costs, to lead the high-quality development of the industry.

##### **1. Accelerate AI integration and build a new engine for high-quality development**

In the first half of 2025, the Company established the AI Business Division to deeply integrate artificial intelligence into the Company's core business through intensive management and cultivate new quality productivity. The Company had indicated two core directions for AI technology application: "internal in-depth empowerment and external breakthrough", and was committed to building a new engine for high-quality development of the Company.

The primary task in driving the Company's industrial development with artificial intelligence is to empower the main business. The Company continued to develop and explore the application of "Shenghong Intelligent Platform". Through the deployment of core technologies such as deep intelligent agent, the Company accurately functioned those technologies in key links such as production, supply chain, safety and environmental protection, and effectively transformed AI technology into quantifiable business benefits, and comprehensively accelerated the intelligent and high-end transformation and upgrading of the Company in petrochemical, new materials and other core industries.



On the basis of deep internal services and core capability precipitation, the Company will also actively explore the path of external commercialization, productize mature AI solutions passing the internal verification, be committed to providing high value-added technical services and solutions to upstream and downstream enterprises in the industrial chain, strive to open up new business growth points and transform to a leading exporter of industrial intelligent technology from an industrial giant. To this end, the Company will continue to build an open innovation ecosystem, and deepen cooperation with top scientific research institutions and technology partners, to ensure the forward-looking and landing ability in technology.

## **2. Consolidate the "1+N" industrial layout, strengthen innovation, and promote high-end products**

Leveraging its integrated chemical raw material supply platform with triple synergies, the Company has been rigorously implementing its "1+N" development strategy while continuously strengthening downstream industrial chain development. The Company has established distinctive competitive advantages across multiple new energy and advanced material sectors. In the first half of 2025, the Company commissioned 400,000 tons of new EVA production capacity, bringing its total annual capacity to 900,000 tons. Products such as EVA, acrylonitrile, and MMA continue to maintain their leading positions in the industry. In addition, the Company transformed industrial chain advantages into product advantages, and continuously improved the technological level and added value of products. The Company had made breakthroughs and innovations in the technical process of nitrile latex products, achieving a conversion rate of over 96% for the polymerization reaction process of the nitrile latex project, with relevant indicators far exceeding national standards and mechanical indicators reaching the world advanced level.

While expanding production capacities for new energy and new material products, the Company increased the innovation investment, continued to promote the research and development and production of downstream high-end products, further expanded the Company's product matrix in the field of new energy and new materials, accelerated the extension of downstream value chain, and constantly accumulated the cost competitiveness, scientific and technological innovation and brand influence, to maintain the high-end positioning of products. At present, the Company's downstream new energy and new material products cover multiple new materials including HMWPE, PETG, CHDM, EC/DMC, POSM and polyols. The Company filed many patents for core PETG polyester technologies, breaking foreign product technology monopolies. As all key raw materials sourced from its integrated production facilities, the Company achieved a complete industrial closed-loop from basic feedstocks to high-end new materials, demonstrating distinctive integrated advantages.

## **3. Drive the digital and intelligent industrial transformation through innovation, and strive to cultivate the "new quality productivity" for sustainable development**

Confronting the new wave of technological revolution, the Company remains committed to driving technological innovation and harnessing digital-intelligent applications to strengthen the foundation for high-quality development. In terms of innovation and intelligence, the Company actively and deeply integrated such modern information technologies such as Internet of Things, big data and generative artificial intelligence into the petrochemical industry by comprehensively promoting the digital and intelligent development, building a digital intelligent industrial system with the integration and interaction of "physical Dongfang Shenghong" and "digital Dongfang Shenghong", and continuously developing the application of industrial agent technology, and achieved accurate control of complex industrial devices via digital and intelligent technologies, improving the quality and efficiency of production management. In the first half of 2025, the 16 million tons refining & chemical integrated intelligent plant of Shenghong Refining & Chemical and the intelligent plant of alcohol-base polygeneration of Sierbang Petrochemical were awarded as "Advanced Intelligent Plants in Jiangsu Province", creating a new paradigm for industry-leading manufacturing transformation and upgrading; based on "Hongyun" industrial Internet platform and other innovative measures, Shenghong Refining & Chemical was awarded the "Advanced Collective in National Industrialization and Informatization System", which fully reflected the Company's outstanding contribution in promoting steady industrial growth, improving the resilience and security level of industrial chain and supply chain, promoting industrial scientific and technological innovation and industrial structure optimization and upgrading.

By aiming at the cutting edge of technology and positioning the high-end frontier standards, the Company actively built an innovation platform while deepening technological innovation in products and management. In the first half of 2025, the advanced functional fiber pilot-test platform built by Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd. was included in the preliminary list of the first batch of key cultivation pilot-test platforms of the Ministry of Industry and Information Technology prepared by the Science and Technology Department under the Ministry of Industry and Information Technology. At present, National Advanced Functional Fiber Innovation Center, Shenghong Petrochemical Innovation Center, and Shenghong Advanced

Materials Research Institute, three innovation centers under the Company, are dedicated to upgrading traditional industries through technological innovation, enhancing breakthroughs in core technologies, and fostering the development of "new quality productivity".

#### **4. Practice the concept of sustainable development, vigorously develop the green fiber industry chain, and create a new model of industry development**

Guided by the new development philosophy of innovation, coordination, greenness, openness, and sharing, the Company upholds the principle that new quality productive forces are essentially green productive forces, is building a world-class green production system, and has achieved comprehensive coverage across all industrial sectors from green workshops and eco-industrial parks to national-level green factories. While continuously optimizing the green production system, the Company actively explores a new direction for green transformation of the industry and continue to set a benchmark for the sustainable development of the industry.

The Company is comprehensively deepening green technologies across the "low-carbon, zero-carbon, and negative-carbon" spectrum, continuing to intensify innovation in relevant fields. Through proactive planning of eco-friendly projects and pioneering green industrial chains, the Company continues to enrich its green product system. At present, the Company has two world-first green industrial chains: 1. producing polyester fibers using carbon dioxide, for which the carbon capture technology is applied to convert carbon dioxide into textile and clothing raw materials, and the carbon emission thereof may reduce by 28.4% compared with the polyester fiber production by using raw silk; 2. producing polyester fibers using waste mineral water bottles, such method of "turning waste into wealth" achieved an effective balance between economic benefits and environmental benefits. The Company's green fiber products including "recoer" carbon-capture fibers and bio-based PTT fibers and renewable fibers maintain the industry leadership, fully aligning with the "recycled transformation targets" of internationally known apparel brands and providing truly circular solutions to the global apparel industry. The Company, by actively implementing the requirements of developing new quality productive forces, has pioneered a green and low-carbon development model of interconnection, symbiosis and win-win, taking comprehensive utilization of resources as a link.

#### **5. Promote enterprise management optimization, improve the efficiency of talent management, and strengthen risk prevention ability**

As the Company's business gradually shifts to full-process operation, the Company carries out enterprise management optimization in an orderly manner, strengthens business control and improves efficiency and effectiveness, to speed up the formation of new advantages in professional management development. The Company has implemented the management of hidden troubles, process optimization, lean management and other tasks; optimized the internal management relationship of the Company, forming a coordinated and unified organizational system with vertical integration; through scientific assessment and incentive measures, further stimulated the vitality of competition and improved the labor productivity of the staff, laying a solid foundation for the realization of the Company's development strategy.

The Company unified the strategic layout and talent layout in light of the industrial development direction, to explore an open talent training and use mechanism. The Company puts the cadre system construction in an important position, by creating a working atmosphere of competition, learning, chasing, surpassing, and striving for excellence, and continuously improving the selection and reward mechanism, to fully arouse the enthusiasm and creativity of employees while attracting and retaining excellent talents.

In addition, the Company actively leverages internal audit and supervision, by strengthening the prevention and control of integrity risks, continuing to carry out real-time inspection on various economic businesses and constantly improving the responsibilities of various functional departments and subsidiaries, to form an internal control system where all departments fulfill their respective duties and responsibilities, while maintaining both coordination and checks-and-balances.

### **(V) Industry status of the Company**

The petrochemical and new chemical materials and polyester chemical fiber industry to which the Company belongs is a basic industry for the national economy and people's livelihood, and the industry fluctuations are mainly affected by upstream raw materials, product supply, downstream product market and other factors.

#### **1. Refining and chemical sector**

Shenghong Refining & Chemical Co., Ltd. is one of the three private refining and chemical enterprises in China. It has the largest 16 million tons/year single atmospheric and vacuum distillation unit and the wax oil hydrocracking unit in China and the largest crystallization method para-xylene unit in the world. In addition, the 3×3.1 million tons/year using domestic continuous reforming technology unit, the 3.2 million tons/year fluidized bed residual oil hydrogenation unit, the 3.2 million tons/year diesel hydrocracking unit and the 4×150,000 tons/year sulfur recovery unit adopted in the project are also large-scale units in China. The scale of process units and large-scale equipment bring about improvement in equipment efficiency, which is conducive to energy recovery and comprehensive utilization and thus further improves production efficiency and economic benefits.

## **2. New energy and new materials sector**

Sierbang Petrochemical has a 2.4 million tons/year MTO unit (calculated in methanol), which is the largest single alcohol-based multigeneration unit in the world. In the downstream high-end olefin derivatives, Sierbang Petrochemical has an EVA capacity of 900,000 tons/year, leading the industry in capacity scale; at the same time, the Company is building a 100,000 tons/year POE industrialization device with independent intellectual property rights. The technology in PV EVA products of Sierbang Petrochemical has reached the international advanced level, as its market share is among the best in the world and the product quality has been fully recognized by downstream customers. Such technology has been applied by many leading domestic enterprises in the field of PV film.

Sierbang Petrochemical's acrylonitrile production capacity is 1.04 million tons/year, ranking first in China. Acrylonitrile downstream is widely used in the production of ABS, polyacrylamide, nylon 66, carbon fiber and other products. With the stable and excellent quality of acrylonitrile products, Sierbang Petrochemical has become the main raw material supplier for many mainstream carbon fiber enterprises in China.

## **3. Polyester chemical fiber sector**

The Company has an annual production capacity of 3.60 million tons for polyester filament, with a differential rate of more than 90%, dominated by the high-end product of DTY. The Company is the world's leading producer of fully matte series fibers and fine denier differentiated fibers. Meanwhile, the Company has world-leading industrial chains of bio-based PDO monomers, PTT fibers, carbon capture fibers and recycled polyester fibers with complete independent intellectual property rights.

The Company's recycled polyester fiber production capacity reaches approximately 600,000 tons/year, and the polyester recycled fiber production capacity ranks among the forefront of the global industry. Through special technical research, the Company took the lead in putting into production the self-developed waste plastic bottle pieces-to-spinning direct melt spinning line, which not only realized the recycling of waste plastics but also effectively reduced production costs. At present, the Company's recycled fiber has passed the global recycling standard GRS certification. The Company will continue to increase the R&D and production of differentiated, low-carbon and high-performance chemical fiber products in the future.

# **III. Analysis on core competitiveness**

## **(I) Advanced advantages of industrial layout**

The Company has been deeply engaged in the field of petrochemical and new chemical materials and polyester chemical fiber for many years, and has formed an industrial pattern of "double chains" of olefins and aromatics, and has become a unique large-scale energy and chemical enterprise with full coverage of "oil head, coal head and gas head" in China. Shenghong Refining & Chemical Integration Project applies to the idea of "less oil and more chemicals for molecular refining", which meets the current development trend of petroleum refining and chemical industry. Meanwhile, the Shenghong Refining & Chemical Integration Project, as a basic raw material platform, has the natural first-mover advantage of "strengthening, extending and supplementing the chain" to the downstream fine chemical industry. The Company will rely on the "1+N" development strategy that combines "1" core platform and "N" diversified industrial chains such as new energy, new materials, electronic chemistry and biotechnology, so as to ensure stable and long-term high-quality development to get on track.

## **(II) Advantages of innovation-driven development**

The Company has been deeply engaged in the new chemical materials industry for more than 10 years, and has many years of experience in the production and management of high value-added olefin downstream products, and has developed into a leading fine chemical and new materials enterprise in China. In the field of new photovoltaic materials, the Company is one of the few domestic suppliers of photovoltaic film materials with both

photovoltaic-grade EVA and independent POE technology, its product performance index has reached the advanced level of similar products in the world, and a number of its new technology products have realized import substitution and filled the gaps in the domestic market. In June 2025, at the 12th Photovoltaic Polymers International Conference held in Shanghai, Petrochemical Industry Group, a wholly owned subsidiary of the Company, won the "Outstanding Supplier Award for Photovoltaic Film Particles", in recognition of its effective improvement of overall quality and guarantee of stable downstream supply by virtue of its product innovation advantages.

In the field of high value-added new materials, UHMWPE, PETG, CHDM, NBRL, EC/DMC, POSM, polyols and other products have achieved the one-time success in project start-up. In the first half of 2025, the Company's annual EVA production capacity increased by 400,000 tons, further expanding the Company's industry matrix in new energy and new materials.

Over the years, the Company has attached great importance to the research and development of civilian polyester filament products, and has possessed independent intellectual property rights in the production technology of various functional fibers. It has successively overcome technical barriers in microfiber, and built a world-leading industrial chains for bio-based PDO monomers, PTT fibers and recycled polyester fibers with complete intellectual property rights. It has built the world-leading industrial chain "from carbon dioxide to polyester fiber", and continuously develops the industrial chain for renewable fiber made of fiber produced with waste bottles, to lead the green and low-carbon transformation development of the textile industry.

The Company attaches great importance to and constantly promotes the construction of key links in the research and development of the transformation of innovation chain into industrial chain. In the first half of 2025, the advanced functional fiber pilot-test platform built by Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd., a subsidiary of the Company, was included in the list of the first batch of key cultivation pilot-test platforms of the Ministry of Industry and Information Technology. In addition, the Company's new material pilot-test base in the National East-West Regional Cooperation Demonstration Zone in Lianyungang Petrochemical Industrial Park is also under construction as planned, in order to assist in making breakthroughs and innovations in key technical problems in the chemical field and further strengthen the Company's innovation-driven advantage.

### **(III) Advantages of differentiated competition**

Shenghong Refining & Chemical integration project as the basic raw material platform of the Company, is equipped with the largest single set of atmospheric and vacuum distillation unit in China. It is designed based on the strategy with the optimal oil-to-chemical ratio, and takes downstream ethylene and olefin chemical products as main products, with the output of chemical products exceeding 70%, becoming the refining and chemical project with the highest oil-to-chemical ratio in the industry. All production links in the refining and chemical project can achieve material interconnection and mutual supply, enhancing resource utilization efficiency and thus making it competitive in terms of product structure and cost.

Sierbang Petrochemical, as an important production base of new energy and new materials of the Company, has the experience advantage in successfully operating large-scale olefin chemical projects. The monomer scale of MTO units that have been put into operation ranks among the top of the world in terms of existing MTO units, and the capacities of supporting units of acrylonitrile, MMA, EVA, EO and derivatives rank among the top in the industry, which has an influence on regional product pricing.

In the field of polyester fiber, the Company, adhering to the idea of "no repeated construction, no conventional products, no conventional production technologies", is rooted in the dislocation competition strategy. The Company, taking high-end DTY products as main products, mainly engages in the development and production of microfibers and differentiated functional fibers, with a product differentiation rate of more than 90%; it pays attention to the development of green and low-carbon products such as recycled fibers and carbon capture fibers to effectively avoid the fierce market competition of conventional chemical fiber products.

### **(IV) Advantages of collaborative development**

The Company has a high self-sufficiency rate in refining and chemical, new energy and new materials, and polyester chemical fiber sectors. When Shenghong Refining & Chemical integration project is put into operation, the upstream PX and ethylene glycol raw materials of polyester chemical fibers are basically self-supplied, and the upstream and downstream product structures are reasonable; downstream products of petrochemical enterprises and companies in Lianyungang Petrochemical Industry Base Park have a high digestion rate of refining and chemical products, and the efficient coordination and supporting advantages in regions, products and

production processes bring relevant cost advantages. In the future, the refining and chemical, new energy and new materials sectors, and polyester business will fully coordinate the development of high-performance, high-value-added materials and their modified applications, to provide broad space for the industrial chain to further collaborative development to the downstream.

#### (V) Locational advantages

The Company's petrochemical and new chemical materials business is located in the Lianyungang Petrochemical Industry Base. The Lianyungang Petrochemical Industry Base is located in Xuwei New District, Lianyungang City. It is one of the seven world-class petrochemical industry bases in China, and has been included in the national "Petrochemical Industry Planning and Layout Scheme". Lianyungang area has suitable climate and no typhoon influence. The park and surrounding facilities are excellent and close to the target market. Material costs are low. In addition, the park is close to the seaport terminal, and the processed imported crude oil has a unique maritime advantage, low transportation costs and a significant location advantage.

### IV. Analysis of primary business

#### 1. Overview

In the first half of 2025, the international and domestic environment was complex and volatile, presenting multiple challenges to the petrochemical industry on both the supply and demand sides. Crude oil prices experienced wide fluctuations with a downward trend, coupled with a temporary weakening of demand in certain downstream industries, which affected the company's revenue growth.

For relevant content, please refer to "II. Primary business of the Company during the reporting period".

#### YOY Changes in Main Financial Data

Monetary Unit: RMB

	Reporting period	Same period of last year	YOY changes	Reasons for changes
Operating revenue	60,916,418,734.57	72,833,561,598.67	-16.36%	
Operating costs	54,738,693,841.81	65,102,318,637.41	-15.92%	
Selling and distribution expenses	150,971,524.91	152,836,805.01	-1.22%	
General and administrative expenses	479,889,847.97	473,999,875.43	1.24%	
Financial expenses	2,286,076,939.32	2,423,285,237.43	-5.66%	
Income tax expenses	-145,131,148.40	-285,247,329.83	49.12%	Increase in deferred income tax expenses
Investments in research and development	2,952,588,080.85	2,913,077,166.05	1.36%	
Net cash flows from operating activities	2,811,195,924.26	2,020,427,905.56	39.14%	Net increase in the cash received from sales of goods, rendering of services, purchase of goods or receipt of services
Net cash flows from investing activities	-3,704,105,167.86	-6,753,436,365.16	45.15%	Decrease in cash paid to acquire and construct fixed assets in the current period
Net cash flows from	2,197,283,881.24	6,190,473,019.59	-64.51%	Decrease in the net inflow

financing activities				of borrowings in the current period
Net increase in cash and cash equivalents	1,366,471,039.86	1,271,064,495.36	7.51%	

Significant changes in the profit structure or source during the reporting period

☐Applicable ☒Not applicable

During the reporting period, the profit structure or source had no significant change.

## 2. Breakdown of operating income

Monetary Unit: RMB

	Reporting period		Same period of last year		YOY changes
	Amount	Proportion in operating revenue	Amount	Proportion in operating revenue	
Total operating revenue	60,916,418,734.57	100%	72,833,561,598.67	100%	-16.36%
By industry					
Petrochemical and new chemical materials	48,646,235,238.30	79.86%	58,877,300,398.11	80.84%	-17.38%
Chemical fiber	11,225,818,265.24	18.43%	12,970,995,195.03	17.81%	-13.45%
Others	1,044,365,231.03	1.71%	985,266,005.53	1.35%	6.00%
By product					
Refinery products	11,462,084,865.32	18.82%	14,051,595,714.27	19.29%	-18.43%
Others petrochemical and new chemical materials	37,184,150,372.98	61.04%	44,825,704,683.84	61.55%	-17.05%
Polyester silk	10,770,260,946.54	17.68%	12,478,983,754.18	17.13%	-13.69%
Other chemical fiber products	455,557,318.70	0.75%	492,011,440.85	0.68%	-7.41%
Others	1,044,365,231.03	1.71%	985,266,005.53	1.35%	6.00%
By region					
Domestic	57,469,841,518.03	94.34%	69,253,978,436.82	95.09%	-17.02%
Overseas	3,446,577,216.54	5.66%	3,579,583,161.85	4.91%	-3.72%

Industries, products or regions accounting for more than 10% of the Company's operating revenue or operating profit

☒Applicable ☐Not applicable

Monetary Unit: RMB

	Operating income	Operating costs	Gross margin	Increase/ decrease of operating revenue when compared with the same period of last year	Increase/ decrease of operating cost when compared with the same period of last year	Increase/ decrease of gross margin when compared with the same period of last year
By industry						
Petrochemical and new chemical materials	48,646,235,238.30	43,461,264,982.08	10.66%	-17.38%	-17.22%	-0.16%
Chemical fiber	11,225,818,265.24	10,454,179,644.37	6.87%	-13.45%	-12.23%	-1.30%
By product						
Refinery products	11,462,084,865.32	8,215,476,245.55	28.32%	-18.43%	-22.92%	4.18%
Others petrochemical and new chemical materials	37,184,150,372.98	35,245,788,736.53	5.21%	-17.05%	-15.77%	-1.44%
Polyester silk	10,770,260,946.54	9,970,397,241.61	7.43%	-13.69%	-12.70%	-1.05%
By region						
Domestic	57,469,841,518.03	51,466,201,387.23	10.45%	-17.02%	-17.14%	0.13%
Overseas	3,446,577,216.54	3,272,492,454.58	5.05%	-3.72%	9.36%	-11.35%

The Company's primary business data for the latest period after the caliber is adjusted by the end of the reporting period when the statistical caliber of the Company's primary business data is adjusted in the reporting period

☐Applicable ☒Not applicable

## V. Analysis of non-primary business

☒Applicable ☐Not applicable

Monetary Unit: RMB

	Amount	Proportion in total profit	Formation causes	Whether it is sustainable
Investment income	-1,688,443.62	-0.70%	Investment income from disposal of financial assets held for trading	No
Profit or loss from changes in fair value	71,361,227.00	29.38%	Changes in fair value of financial assets	No
Asset impairment	-218,627,947.50	-90.01%	Losses from inventory impairment made during the reporting period	No
Non-operating income	23,135,032.67	9.53%	Income from indemnity and fines	No

Non-operating expenses	11,751,736.70	4.84%	Losses from the damage and scrapping of non-current assets	No
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## VI. Analysis on assets and liabilities

### 1. Significant changes in the composition of assets

Monetary Unit: RMB

	As at June 30, 2025		As at December 31, 2024		Increase/ decrease in proportion	Description of significant changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary funds	15,363,896,623.28	7.20%	13,636,446,983.07	6.67%	0.53%	
Accounts receivable	3,752,973,588.63	1.76%	2,327,702,449.86	1.14%	0.62%	Increase in export proceeds receivable
Inventories	20,814,705,010.81	9.76%	16,873,219,225.01	8.26%	1.50%	
Investment properties	606,418,190.10	0.28%	625,773,856.85	0.31%	-0.03%	
Long-term equity investments	91,014,524.50	0.04%	90,557,516.48	0.04%	0.00%	
Fixed assets	134,934,117,332.63	63.25%	127,298,464,476.19	62.31%	0.94%	
Construction in progress	18,282,172,014.36	8.57%	25,026,824,465.78	12.25%	-3.68%	
Right-of-use assets	3,032,500,998.59	1.42%	3,083,272,607.18	1.51%	-0.09%	
Short-term borrowings	58,133,556,277.57	27.25%	52,682,163,867.62	25.79%	1.46%	
Contract liabilities	2,209,167,566.01	1.04%	2,484,508,305.51	1.22%	-0.18%	
Long-term borrowings	59,347,262,286.12	27.82%	60,988,432,664.33	29.85%	-2.03%	
Lease liabilities	2,867,487,736.30	1.34%	2,880,053,850.90	1.41%	-0.07%	
Notes receivable	11,837,780.15	0.01%	97,777,618.59	0.05%	-0.04%	Decrease in held-to-maturity notes receivable
Receivables financing	256,698,225.34	0.12%	536,196,519.90	0.26%	-0.14%	Decrease in notes receivable measured at fair value through other comprehensive income
Advances to suppliers	1,574,345,408.42	0.74%	525,281,644.21	0.26%	0.48%	Increase in advances to suppliers for goods



	As at June 30, 2025		As at December 31, 2024		Increase/ decrease in proportion	Description of significant changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Other current assets	2,542,940,105.34	1.19%	1,813,789,331.40	0.89%	0.30%	Increase in VAT credits
Employee compensation payable	306,070,521.16	0.14%	485,515,353.28	0.24%	-0.10%	Year-end bonus payment
Taxes and surcharges payable	567,946,410.66	0.27%	978,933,334.67	0.48%	-0.21%	Decrease in consumption tax payable
Other payables	1,401,453,980.77	0.66%	301,204,531.41	0.15%	0.51%	After-sales repurchase
Other comprehensive income	41,167,246.62	0.02%	89,166,875.13	0.04%	-0.02%	Change in cash flow hedging reserve
Special reserves	43,556,412.08	0.02%	86,108,201.09	0.04%	-0.02%	Use of special reserves

**2. Breakdown of main overseas assets**
☐ Applicable ☒ Not applicable
**3. Assets and liabilities measured at fair value**
☒ Applicable ☐ Not applicable

Monetary Unit: RMB

Item	As at January 1, 2025	As at June 30, 2025
Financial assets		
1. Financial assets held for trading (excluding derivative financial assets)	74,183,711.94	
2. Derivative financial assets	32,411,216.06	104,020,190.89
3. Other equity instrument investments	584,422,540.00	584,422,540.00
4. Receivables financing	536,196,519.90	256,698,225.34
Sub-total of financial assets	1,227,213,987.90	945,140,956.23
Total	1,227,213,987.90	945,140,956.23
Financial liabilities		
1. Derivative financial liabilities		21,737,146.20
Sub-total of financial liabilities		21,737,146.20
Total		21,737,146.20

Whether there were significant changes of the measurement attribute of the Company's main assets during the reporting period

☐ Yes ☒ No

**4. Assets with restricted rights as of the end of the reporting period**

Monetary Unit: RMB

Item	As at June 30, 2025	
	Book value	Type of restriction
Monetary funds	1,987,641,021.29	Restricted cash pledged for letters of credit and bank acceptance bills
Fixed assets	71,498,983,829.64	Mortgaged for obtaining the credit granting for financing from financial institutions
Intangible assets	2,611,362,055.95	Mortgaged for obtaining the credit granting for financing from financial institutions
Construction in progress	1,940,494,728.50	Mortgaged for obtaining the credit granting for financing from financial institutions
Accounts receivable	[Remark]	Pledged for obtaining the credit granting for financing from financial institutions
Total	78,038,481,635.38	

Remark: Within the scope of consolidation, the wholly-owned subsidiary Lianyungang Guanghong Industrial Co., Ltd. pledged the right of collection regarding the accounts receivable from related parties within the scope of consolidation to provide a guarantee for a bank loan of Lianyungang Guanghong Industrial Co., Ltd. As at June 30, 2025, the balance of accounts receivable of Lianyungang Guanghong Industrial Co., Ltd. from related parties within the scope of combination amounted to RMB 153 million.

**VII. Analysis of investment status****1. General information**
☒Applicable ☐Not applicable

Investment amount in the reporting period (RMB)	Investment amount in the same period of last year (RMB)	Extent of change
837,102,843.53	2,263,465,727.87	-63.02%

**2. Significant equity investments acquired during the reporting period**
☐Applicable ☒Not applicable

**3. Significant non-equity investments in progress during the reporting period**

☑Applicable ☐Not applicable

Monetary Unit: RMB

Project	Investment mode	Whether it is a fixed asset investment	Industries involved in the investment projects	Amount invested during the reporting period	Cumulative actual investment amount as of the end of the reporting period	Source of funds	Project progress	Date of disclosure	Disclosure index
Hongwei Chemical POSM and Polyol Project	Self-built	Yes.	Chemical engineering	128,354,522.13	3,755,402,224.59	Self-owned fund + special borrowings	Put into operation	May 15, 2021	CNINFO: Announcement on the Investment and the Construction of POSM and Polyol Project by Hongwei Chemical (Announcement No.:2021-069)
Guowang (Suqian) Phase II super simulation functional fiber project with an annual production capacity of 500,000 tons	Self-built	Yes.	Chemical fiber manufacturing industry	115,999,202.02	569,587,427.15	Self-owned fund + special borrowings	Construction phase of the projects	January 13, 2022	CNINFO: Announcement on the Investment and Construction Phase II of Super-simulation Functional Fiber Project with an Annual Output of 500,000 by Subsidiaries (Announcement No.: 2022-010)
Phase II recycled differentiated and functional polyester filament yarn and supporting	Self-built	Yes.	Chemical fiber manufacturing industry	2,085,822.12	2,269,045,893.76	Self-owned fund + special borrowings	Partial operation	January 13, 2022	CNINFO: Announcement on the Investment and Construction of Recycled Differentiated and Functional Polyester Filament and Supporting Stretching

Project	Investment mode	Whether it is a fixed asset investment	Industries involved in the investment projects	Amount invested during the reporting period	Cumulative actual investment amount as of the end of the reporting period	Source of funds	Project progress	Date of disclosure	Disclosure index
stretching project of Reborn Technology with an annual production capacity of 250,000 tons									Project with an Annual Output of 250,000 Tons - Phase II by Subsidiaries (Announcement No.: 2022-011)
Biodegradable material project (Phase I) of Hongke New Material	Self-built	Yes.	Chemical engineering	9,703,420.84	316,085,385.63	Self-owned fund + special borrowings	Suspended	March 24, 2022, and October 31, 2024	CNINFO: Announcement on the Investment and Construction of Degradable Material Project (Phase I) by Subsidiaries (Announcement No.: 2022-047), and Announcement on the Subsidiary's Suspension of the Implementation of Degradable Materials Project (Phase I) (Announcement No.: 2024-069)
Honggang Petrochemical 2.4 million tons/year purified terephthalic acid (PTA) Phase III	Self-built	Yes.	Chemical engineering	528,844,134.06	3,998,687,506.67	Self-owned fund + special borrowings	Construction in progress	June 28, 2022	CNINFO: Announcement on the Investment and Construction of the 2.4 Million Tons/Year Purified Terephthalic Acid (PTA) Phase III Project (Announcement

Project	Investment mode	Whether it is a fixed asset investment	Industries involved in the investment projects	Amount invested during the reporting period	Cumulative actual investment amount as of the end of the reporting period	Source of funds	Project progress	Date of disclosure	Disclosure index
Project									No.: 2022-091)
Supporting raw materials and iron phosphate and lithium iron phosphate new energy materials project of Haigesi New Energy	Self-built	Yes.	Chemical engineering	458,660.36	159,855,536.67	Self-owned fund	Construction phase of the projects	November 30, 2022	CNINFO: Announcement on the Investment and Construction of Supporting Raw Materials and Iron Phosphate and Lithium Iron Phosphate New Energy Materials Project by Hubei Haigesi New Energy Co., Ltd. (Announcement No.: 2022-141)
1.00 Million Tons/Year Acetic Acid Project	Self-built	Yes.	Chemical engineering	51,657,082.00	627,938,336.10	Self-owned fund	Construction phase of the projects	April 26, 2024	CNINFO: Announcement on the Investment and Construction of 1 million tons/ year Acetic Acid Project by Shenghong Refining & Chemical (Announcement No.: 2024-035)
Total	--	--	--	837,102,843.53	11,696,602,310.57	--	--	--	--

#### 4. Investments in financial assets

##### (1) Portfolio investments

☒Applicable ☐Not applicable

Monetary Unit: RMB

Type of securities	Stock code	Abbreviation	Initial investment costs	Accounting measurement mode	Book value at January 1, 2025	Profit or loss from changes in fair value in this period	Accumulated changes in fair value included in equity	Purchase amount in the current period	Sale amount in the current period	Profit or loss during the reporting period	Book value as at June 30, 2025	Accounting of subjects	Source of funds
Domestic and overseas stocks	603323	Agricultural Bank of Suzhou	5,000,000.00	Measurement at fair value	74,183,711.94	-701,169.30	0.00	0.00	73,482,542.64	2,116,162.18	0.00	Financial assets held for trading	Self-owned fund
Total			5,000,000.00	--	74,183,711.94	-701,169.30	0.00	0.00	73,482,542.64	2,116,162.18	0.00	--	--

**(2) Investments in derivatives**
☒Applicable ☐Not applicable
**1) Investment in derivatives for hedging purpose during the reporting period**
☒Applicable ☐Not applicable

Monetary unit: RMB '0,000

Investment type	Opening amount	Profit or loss from changes in fair value in the current period	Investment income in the current period	Closing amount	Proportion of investment amount at the end of the period in the Company's net assets at the end of the period
Commodity derivatives	32,005.61	7,206.24	-1,233.97	152,242.03	4.01%
Foreign exchange derivatives	0	0	211.68	5,893.35	0.16%
Total	32,005.61	7,206.24	-1,022.29	158,135.38	4.17%
Description of the accounting policies and specific accounting principles for hedging, and whether they have had significant changes by comparison with those during the previous reporting period		The Company, in accordance with the Ministry of Finance's Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets, Accounting Standards for Business Enterprises No. 24 - Hedging, and Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments and their guidelines, accounts for and reports hedging transactions that meet the criteria in accordance with hedge accounting requirements. The implementation of these provisions has not had a significant impact on the Company's financial position and operating results.			

Description of the actual profit or loss during the reporting period	Profits or losses for the reporting period amounted to RMB 61.8395 million.
Description of hedging effect	Conducive to improving a company's ability to resist the risk of market price fluctuation and realizing the prudent operation.
Source of funds for investment in derivatives	Self-owned fund
Description of risk analysis and control measures for derivative positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, and legal risk, etc.)	The Company has formulated annual commodity hedging, foreign exchange derivatives and other business plans, and has fully assessed and effectively controlled the possible abnormal price fluctuation risks, liquidity risks, operational risks, credit risks and legal risks. The Company shall establish and improve the relevant internal control system, standardize the business operation process and approval process, and operate in strict accordance with the approved plans.
Changes in the market price or fair value during the reporting period of invested derivatives; for the analysis of the fair value of the derivatives, the specific methodology used and the setting of relevant assumptions and parameters are required	The transaction varieties of commodity derivatives conducted by the Company have great market transparency and active transactions, and the transaction price and the settlement unit price on the current day can fully reflect the fair value of derivatives.
Litigation (if applicable)	None
Date of disclosure of the announcement of the board of directors on approving investment in derivatives	April 29, 2025
Date of disclosure of the announcement of the general meeting of shareholders on approving investment in derivatives	May 22, 2025

## 2) Investment in derivatives for the purpose of speculation during the reporting period

☐ Applicable ☒ Not applicable

During the reporting period, the Company had no investment in derivatives made for the purposes of speculation.

**5. Use of the funds raised**

☐Applicable ☒Not applicable

There was no use of raised funds during the reporting period.

**VIII. Sales of significant assets and equity****1. Sales of significant assets**

☐Applicable ☒Not applicable

During the reporting period, the Company had no sales of significant assets.

**2. Sales of significant equity**

☐Applicable ☒Not applicable

**IX. Analysis of major holding and participating companies**

☒Applicable ☐Not applicable

Major subsidiaries and participating companies with an impact of 10% or more on the net profit of the Company

Monetary unit: RMB '00,000,000

Company	Company type	Primary business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenghong Refining & Chemical	Subsidiary	Production and sales of petrochemical products	235.45	1,250.10	203.39	442.02	1.50	2.57
Sierbang Petrochemical	Subsidiary	R&D, production, and sales of fine chemicals	61.56	439.30	165.03	110.31	1.52	1.20
Shenghong Chemical Fiber	Subsidiary	R&D, production, and sales of PFY (polyester filament yarn)	0.50	339.33	138.54	112.82	1.35	1.40

Acquisition and disposal of subsidiaries during the reporting period

☒Applicable ☐Not applicable

Company	Ways for acquisition and disposal of subsidiaries during the reporting period	Effect on the overall production, operation and performance
Jiangsu Ruikong Technology Co., Ltd.	Direct establishment	Established as demanded by business development
Jiangsu Shenghong Fiber Testing Co., Ltd.	Company cancellation	Cancelled as demanded by business development
Jiangsu Shengze Dongfang Hengchuang Energy Co., Ltd.	Company cancellation	Cancelled as demanded by business development



**X. Structured entities controlled by the Company**

☐Applicable ☒Not applicable

**XI. Risks faced by and countermeasures of the Company****1. Macroeconomic fluctuation risks**

The Company's products and their downstream involve energy, transportation, textile, construction, agriculture and other pillar industries in the national economy, which are closely related to investment and consumer demand and are more obviously affected by macroeconomic fluctuations. Due to the complex and multiple reasons for the formation of macro environmental risks, if the global economy fluctuates significantly in the future and China's economic growth rate continues to slow down, the Company's operating results may fluctuate with the adjustment of the domestic and foreign macro environment.

**2. Policy risks**

In recent years, China's chemical and chemical fiber industry has developed rapidly, and a series of policies have been introduced by relevant sectors, which clearly contributed to the development of China's chemical and chemical fiber industry. However, at the same time, relevant national sectors are increasingly demanding on work safety, environmental protection, energy saving and emission reduction, and the overall supervision over the industry will become increasingly strict. If there are significant adverse changes in industrial policies or industry plans in the future, it may lead to changes in the market environment and development space of the relevant industry, which will have certain impact on the Company's operation.

**3. Risks caused by exchange rate fluctuations**

The exchange rate of RMB is affected by various internal and external factors such as domestic and international economic and political situations and currency supply and demand, and the exchange rate fluctuations will cause the Company to face exchange gains and losses on funds borrowing and lending activities and procurement and sales activities denominated in foreign currency. In addition, exchange rate fluctuations will affect the prices of the Company's raw materials imported from and products exported to regions and countries outside of Chinese mainland, which will have an impact on the Company's profitability. If the exchange rate of RMB to other currencies fluctuates significantly from the prevailing rate in the future, it will have an impact on the Company's operating results.

In order to control the risk of exchange rate fluctuations, the Company has established an internal control system for forward exchange settlement and foreign exchange option transactions, which clearly stipulates the instruments, objectives, decision-making procedures and implementation processes for controlling the risk of exchange rate fluctuations, so as to make comprehensive decisions on exchange rate risk management methods based on the exchange rate fluctuations. However, generally speaking, in the case of significant exchange rate fluctuations, it is difficult to completely eliminate the risks arising therefrom by the existing risk management methods. At the same time, if there is a major mistake in the selection of relevant instruments or the implementation of exchange rate risk management, or if the above system is not effectively implemented, it may lead to the Company's exposure to exchange rate risk or losses.

**4. Risk of price fluctuation in main raw materials and products**

The cost of the Company's products mainly consists of the costs on purchase of raw materials such as crude oil. The chemical and chemical fiber industry in which the Company is located is cyclical, and the market prices of major raw materials and products may fluctuate significantly with the fluctuation of commodity prices such as oil, natural gas and coal, as well as changes in the international political and economic situation, macroeconomic development and market supply and demand, which may have certain impact on the Company's operation and performance stability. The Company continues to pay attention to the market changes in raw material prices, carries out market analysis and judgment dynamically, and selects appropriate purchase strategies to effectively control purchase costs and reduce the adverse impact of raw material fluctuations on the Company.

**5. Environmental protection and work safety risks**

The Company is mainly engaged in the R&D, production and sales of products related to chemical and chemical fiber industries, which will discharge pollutants such as waste water, waste gas and solid waste in its daily production and operation process. Meanwhile, some of the raw materials, intermediate products and finished products are flammable, explosive, corrosive, high temperature and toxic substances, which are hazardous

chemicals within the scope of control. Therefore, the Company is exposed to certain risks related to production safety, environmental protection and other emergencies.

The Company's main management team has rich experience in production and management in the industry, and the Company has set up a special health, safety and environment (HSE) department to take charge of safety and environmental protection matters, and has also formulated a series of work safety management and environmental protection related systems and established a major risk warning mechanism and emergency response mechanism. However, the possibility of the occurrence of work safety and environmental protection accidents due to other factors such as bad weather, natural disasters, personnel errors, equipment failures, or other emergencies that are not properly handled in a timely manner cannot be completely ruled out.

## **XII. Formulation and implementation of market value management system and valuation improvement plan**

Whether the Company has formulated a market value management system.

☒Yes ☐No

Whether the Company has disclosed its valuation improvement plan.

☐Yes ☒No

In order to strengthen the Company's market value management, further standardize such management behavior, and safeguard the legitimate rights and interests of the Company, and its investors and other stakeholders, the Company has formulated the Market Value Management System, which has been adopted upon deliberation at the 24<sup>th</sup> meeting of the 9<sup>th</sup> Board of Directors of the Company.

## **XIII. Implementation of the action plan of “quality promotion and return enhancement”**

Whether the Company has disclosed the announcement on the action plan of "quality promotion and return enhancement" or not.

☒Yes ☐No

The Company had steadily improved the quality of listed companies and promoted the high-quality development on five aspects of "adhering to the strategic focus, sticking to strengthening the main business and deepening the integrated development", "adhering to the concept that the innovation may drive the future and leading the green and intelligent development of the industry", "persisting in the standardized operation and improving the efficiency of corporate governance", "paying attention to shareholders' returns, and achieving the win-win results via 'common growth'", and "building the multi-level investor relations, and taking value dissemination as the core of market value management.

### **(I) Adhere to the strategic focus, stick to strengthening the main business, and deepen the integrative development**

The Company has been deeply engaged in fields of petroleum and petrochemical, polyester fiber and high-end new chemical materials for many years. Leveraging its integrated chemical raw material supply platform with triple synergies, the Company has been rigorously implementing its "1+N" development strategy. At present, the Company has the largest single-scale atmospheric and vacuum distillation unit in China, with an annual processing capacity of 16 million tons of crude oil, 1.1 million tons of ethylene and 2.8 million tons of paraxylene (PX), demonstrating obvious integration advantages. Meanwhile, the Company has been continuously strengthening the downstream industrial chain development and has had distinctive competitive advantages across multiple fields of new energy and new materials. As at June 30, 2025, the Company maintains industry leadership with total production capacities of acrylonitrile of 1.04 million tons/year; EVA of 0.9 million tons/year; MMA of 0.34 million tons/year; The 0.1 million tons/year POE industrial plant construction is progressing as scheduled, continuing to build its EVA+POE photovoltaic materials industrial layout.

While expanding production capacity for its leading new energy and new material products, the Company continues to advance R&D and production of high-tech downstream petrochemical products. This strategic move further diversifies its product matrix in the new energy materials sector and accelerates the downstream value chain extension. At present, the Company's downstream new energy and new material products cover multiple new materials including HMWPE, PETG, EC/DMC, POSM and polyols. The Company filed many patents for

core PETG polyester technologies, breaking foreign product technology monopolies. As all key raw materials sourced from its integrated production facilities, the Company achieved a complete industrial closed-loop from basic feedstocks to high-end new materials.

The Company's product planning and deployment fully leverage its integrated industrial advantages, aligning with the "1+N" development strategy. This demonstrates its focused achievements in the new energy and advanced materials sectors while continuously perfecting industrial and product chains.

## **(II) Adhere to the concept of innovation-driven future, lead the path of green and intelligent development of the industry**

The Company insists on transforming and upgrading the traditional industry by using innovative technologies, and promotes the high-end, intelligent and green development of the industry; focusing on the green and low-carbon industrial development, the Company strives to be the pioneer, explorer and leader in green industry transformation, and provides green solutions to reducing carbon emissions to the textile industry. Combined with the national goal of "dual carbon", the Company seizes the development opportunity of "creating a sound development ecology for green and low-carbon industry", unswervingly takes the path of green and sustainable development, creates a green and low-carbon industrial chain, and cultivates new development drivers, to lead the low-carbon transformation of the industry. At present, the Company has established two world-first green industrial chains: 1. producing polyester fibers using carbon dioxide, for which the carbon capture technology is applied to convert carbon dioxide into textile and clothing raw materials, and the carbon emission thereof may reduce by 28.4% compared with the polyester fiber production by using raw silk; 2. producing polyester fibers using waste mineral water bottles, such method of "turning waste into wealth" achieved an effective balance between economic benefits and environmental benefits.

In terms of accelerating the high quality industry development, in the first half of 2025, the advanced functional fiber pilot-test platform built by a subsidiary of the Company was included in the preliminary list of the first batch of key cultivation pilot-test platforms of the Ministry of Industry and Information Technology. The Company's new material pilot-test base in the National East-West Regional Cooperation Demonstration Zone in Lianyungang Petrochemical Industrial Park is also under construction as planned. It will be the core support for the green, high-end and high-quality industry transformation to promote the system construction of those pilot-test platforms and bases. In addition, in terms of intelligence, the Company has deepened the integration of digital economy and real economy, actively built "advanced level" intelligent factories centering on process control, lean production and excellent operation, and built whole-process digital management of the industrial chain covering design, production and operation. In the first half of 2025, the 16 million tons refining & chemical integrated intelligent plant of Shenghong Refining & Chemical and the intelligent plant of alcohol-base polygeneration of Sierbang Petrochemical were awarded as "Advanced Intelligent Plants in Jiangsu Province", creating a new paradigm for industry-leading manufacturing transformation and upgrading.

Looking to the future, the Company will adhere to grasp the high-end, digital-intelligent and low-carbon development opportunities and constantly improve the sustainable development level, to make greater contributions to promoting the comprehensive high-quality transformation of social and economic development.

## **(III) Adhere to standardized operation and improve the efficiency of corporate governance**

The Company strictly abides by laws and regulations and the requirements of relevant normative documents, establishes a standardized corporate governance structure, and constantly improves the shareholders' meeting, board of directors, board of supervisors and other relevant systems. The Company formulates the rules of procedure for various meetings, further clarifies the scope of power and responsibilities at all levels, continuously optimizes the modern corporate governance structure covering "shareholders' meeting, the board of directors, the board of supervisors and the management", and constantly improves the responsibilities of all functional departments and subsidiaries, to form an internal control system where all departments fulfill their respective duties and responsibilities, while maintaining both coordination and checks-and-balances. The Board of Directors of the Company consists of 7 directors, including 3 independent directors; The obviously diversified members of the board give the board the complementary knowledge structure, professional quality and experience, bringing more comprehensive and diversified perspectives to the Company. In the half year of 2025, the Company held two meetings of shareholders, four meetings of the Board of Directors, two meetings of the Board of Supervisors, three meetings of the Audit Committee, three meetings of the Remuneration and Assessment Committee and one meeting of the Strategy Committee, and all proposals deliberated at those meetings were adopted.

## **(IV) Focus on shareholder returns to achieve a win-win situation through "common growth"**

While taking into account high-quality and sustainable development, the Company attaches great importance to sustainable, stable and reasonable investment returns to shareholders, returning all shareholders with practical actions. On April 29, 2025, the Company issued the Shareholder Return Plan for the Next Three Years (2025-2027), further improving and perfecting the scientific, continuous and stable dividend decision-making and supervision mechanism.

In addition, based on the firm confidence in the Company's future sustainable and stable development and the recognition of the Company's long-term investment value, and in order to boost investor confidence, effectively safeguard the interests of minority shareholders and the market stability and promote the Company's sustainable, stable and sound development, from November 14, 2024 to May 13, 2025, Jiangsu Shenghong Technology Co., Ltd. (the controlling shareholder of the Company) and its persons acting in concert Shenghong Petrochemical Group Co., Ltd. and Shenghong (Suzhou) Group Co., Ltd., additionally held 223,712,060 shares of stock of the Company through centralized bidding. Those shares held additionally amounted to RMB 2,020,310,400.00 (excluding transaction costs).

According to the Announcement on the Plan to Increase Shareholding in the Company by the Concerted Acting of Shareholder and Shareholder Holding More Than 5% of the Company's Shares (Announcement No. 2025-054) issued by the Co., Ltd. on June 17, 2025, Shenghong (Suzhou) Group Co., Ltd. planned to, within 6 months as of the date of issue of such announcement, additionally hold A-shares of the Company through centralized bidding with Shenzhen Stock Exchange, with the amount of those shares held not less than RMB 500 million and not more than RMB 1,000 million

In the future, the Company will continue to firmly establish the awareness of returning shareholders, consider the dynamic balance between the strategic development and business performance of the Company and the shareholder return, implement and promote the sustainable and stable shareholder value return mechanism, enhance the sense of gain of all investors, and highlight the Company's long-term investment value.

#### **(V) Build multi-level investor relationship, and take value communication as the core of market value management**

The Company has established an open, transparent and multi-level market communication mechanism to carry out all-round active communication with investors, fully guarantee all investors' right to be informed, and actively provide convenient conditions to investors for exercising their legal rights. In the first half of 2025, the Company issued 92 pieces of Chinese documents and 20 pieces of English documents. On the basis of full information disclosure, the Company continued to enhance two-way interaction with investors, continuously consolidated the mutual trust relationship with investors, and continued to improve the value of the Company through high-quality investor relationship management. The Company provided investors with efficient and convenient communication channels such as hotline, mailbox dedicated for investors and interactive exchange platform of Shenzhen Stock Exchange, and arranged special personnel to take charge of answering and replying, fully ensuring the professionalism and timeliness of communication with investors.

In the first half of 2025, after the issue of the periodic report, the Company timely organized the exchange meeting for investors to interpret the latest production and operation status of the Company to all investors in the market and help investors understand the latest developments of the Company; actively participated in various types of investor strategy exchange meetings to heed the voice in the capital market and comprehensively improve investors' value perception. Through multi-level communication channels, the Company can get feedback from investors regarding the company strategy and development, well maintain the long-term trust relationship between investors and the Company and form a virtuous cycle of interaction, so as to establish an honest, open and inclusive capital market image for the Company, and do a good job in "value communication" of the Company.

## Section IV Corporate Governance, Environment and Society

### I. Change in directors, supervisors and senior officers of the Company

☐Applicable ☒Not applicable

There was no change in the Company's directors, supervisors and senior officers during the reporting period. For details, see the annual report for the year ended December 31, 2024.

### II. Profit distribution and the conversion of capital reserves to share capital in the reporting period

☐Applicable ☒Not applicable

The Company did not plan to pay cash dividends or bonus shares, and convert capital reserves into share capital.

### III. Implementation of the Company's equity incentive plan, employee stock ownership plan or other employee incentive measures

☒Applicable ☐Not applicable

#### 1. Equity incentive

None

#### 2. Implementation of employee stock ownership plan

☒Applicable ☐Not applicable

Information on all active employee stock ownership plans during the reporting period

Scope of employees	Number of employees		Total number of shares held (shares)	Changes	Proportion in the total share capital of the listed company	Source of funds for implementing plans
Middle-level and above employees of the Company and its holding subsidiaries as approved by the Board of Directors of the Company, and other personnel as determined by the Board of Directors	Phase II	2,011	116,630,870	See the Announcement on Matters Concerning the Adjustment to Phase II Employee Stock Ownership Plan (Announcement No. 2025-057) disclosed by the Company on June 28, 2025 for details	1.76%	Employees' legal remuneration, self-financing, loans from controlling shareholder Shenghong Technology and other means permitted by laws and regulations
	Phase III	452	87,268,859	None	1.32%	
	Phase IV	169	81,113,123	None	1.23%	

Changes in asset management institutions during the reporting period

☐Applicable ☒Not applicable

Changes in equity caused by the disposal of shares by holders during the reporting period

☐Applicable ☒Not applicable

Exercise of shareholders' rights during the reporting period

None

Other relevant circumstances and description of the employee stock ownership plan during the reporting period

☐Applicable ☒Not applicable

Changes in the members of the employee stock ownership plan management committee

☐Applicable ☒Not applicable

Financial impact of the employee stock ownership plan on the listed company during the reporting period and related accounting treatment

☐Applicable ☒Not applicable

Information on the termination of the employee stock ownership plan during the reporting period

☐Applicable ☒Not applicable

Other description:

The Company held the 28<sup>th</sup> meeting of the 9<sup>th</sup> Board of Directors and the 16<sup>th</sup> meeting of the 9<sup>th</sup> Board of Supervisors of the Company on June 27, 2025, adopting upon deliberation the Proposal on Matters Concerning the Adjustment to Phase II Employee Stock Ownership Plan, by which the Company agreed to extend the duration for its phase II employee stock ownership plan to 60 months from 36 months, and to adjust the management mode and performance procedures of such plan. The Proposal on Matters Concerning the Adjustment to Phase II Employee Stock Ownership Plan has been approved by holders holding over two thirds of shares and participating the meeting of holders of phase II employee stock ownership plan, and adopted upon deliberation by the Remuneration and Assessment Committee under the Board of Directors. See the Announcement on Matters Concerning the Adjustment to Phase II Employee Stock Ownership Plan (Announcement No. 2025-057) disclosed by the Company on June 28, 2025 for details

### 3. Other employee incentive measures

☐Applicable ☒Not applicable

## VI. Environmental information disclosure

Whether the Listed Company and its major subsidiaries are included in the list of enterprises for the legal disclosure of environmental information

☒Yes ☐No

Number of enterprises included in the list of enterprises for the legal disclosure of environmental information (quantity)		12
No.	Company name	Query index for the report on the legal disclosure of environmental information
1	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	Official website of Department of Ecology and Environment of Jiangsu Province - "Environmental Protection Facebook" Information Disclosure Platform - Legal disclosure of enterprise information: <a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js</a>
2	Jiangsu Sierbang Petrochemical Co., Ltd.	Official website of Department of Ecology and Environment of Jiangsu Province - "Environmental Protection Facebook" Information Disclosure Platform - Legal disclosure of enterprise information: <a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js</a>
3	Jiangsu Honggang	Official website of Department of Ecology and Environment of Jiangsu Province - "Environmental Protection Facebook" Information Disclosure Platform - Legal disclosure

	Petrochemical Co., Ltd.	of enterprise information: <a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js</a>
4	Shenghong Refining & Chemical (Lianyungang) Co., Ltd. (Outer tank area)	Official website of Department of Ecology and Environment of Jiangsu Province - "Environmental Protection Facebook" Information Disclosure Platform - Legal disclosure of enterprise information: <a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js</a>
5	Jiangsu Hongwei Chemical Co., Ltd.	Official website of Department of Ecology and Environment of Jiangsu Province - "Environmental Protection Facebook" Information Disclosure Platform - Legal disclosure of enterprise information: <a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js</a>
6	Jiangsu Hongjing New Materials Co., Ltd.	Official website of Department of Ecology and Environment of Jiangsu Province - "Environmental Protection Facebook" Information Disclosure Platform - Legal disclosure of enterprise information: <a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js</a>
7	Lianyungang Rongtai Chemical Warehousing Co., Ltd.	Official website of Department of Ecology and Environment of Jiangsu Province - "Environmental Protection Facebook" Information Disclosure Platform - Legal disclosure of enterprise information: <a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js</a>
8	Jiangsu Guowang High-tech Fiber Co., Ltd.	Official website of Department of Ecology and Environment of Jiangsu Province - "Environmental Protection Facebook" Information Disclosure Platform - Legal disclosure of enterprise information: <a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js</a>
9	Suzhou Tangnan Sewage Treatment Co., Ltd.	Official website of Department of Ecology and Environment of Jiangsu Province - "Environmental Protection Facebook" Information Disclosure Platform - Legal disclosure of enterprise information: <a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js</a>
10	Guowang High-tech Fiber (Suqian) Co., Ltd.	Official website of Department of Ecology and Environment of Jiangsu Province - "Environmental Protection Facebook" Information Disclosure Platform - Legal disclosure of enterprise information: <a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js</a>
11	Jiangsu Reborn Eco-tech Co., Ltd.	Official website of Department of Ecology and Environment of Jiangsu Province - "Environmental Protection Facebook" Information Disclosure Platform - Legal disclosure of enterprise information: <a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js</a>
12	Jiangsu Eastern Shenghong Co., Ltd. Shengze Thermal Power Plant	Official website of Department of Ecology and Environment of Jiangsu Province - "Environmental Protection Facebook" Information Disclosure Platform - Legal disclosure of enterprise information: <a href="http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js">http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js</a>

## **V. Social responsibility**

The Company regards social responsibility as an important mission, closely combines social responsibility with its development strategy and routine business activities, actively advocates the concept of social public welfare, abides by social ethics, deems itself in charity, actively carries out many public welfare services such as education and teaching assistance, voluntary blood donation, community sympathy and public welfare fund, and organizes its employees to participate in those services to enhance their value recognition.

The Company attaches importance to the protection of the legitimate rights and interests of shareholders, creditors and employees, adopts strict management of production governance and safety, treats suppliers and customers in good faith, and actively maintains good relationship with suppliers and customers; practices the concept of green development, actively plans green and low-carbon industrial projects, carries out the green product development through technological innovation, safeguards the ecological environment around the enterprise, strives to achieve win-win economic benefits, social benefits and environmental benefits and promote the coordinated and harmonious development of the Company and the society.



## Section V Significant Matters

### I. Commitments made by the Company's actual controller, shareholders, related parties, acquirers, the Company and other related parties that have been fulfilled within the reporting period and have not been fulfilled within the time limit as at the end of the reporting period

☒Applicable ☐Not applicable

Reasons for commitment	Party making commitment	Commitment type	Commitment content	Commitment time	Commitment period	Fulfillment status
Commitments made during asset restructuring	Zhu Hongmei	Other commitments	I sold 300,000 shares of the Listed Company on November 9, 2016, and bought 234,000 shares of the Listed Company in total from November 18, 2016 to December 12, 2016. Regarding the above-mentioned trades, I made an explanation: "I have traded in the shares of the Listed Company within 6 months before the suspension of the Listed Company for major asset restructuring. In response to this matter, I make the following statement: "During the above-mentioned period of trading the shares of the Listed Company, I was not aware of matters related to the major asset restructuring of the Listed Company, and the behavior of trading shares of the Listed Company was an investment decision made by me based on market information and independent personal judgment. There are no other cases of stock trading by obtaining insider information on the securities of the Listed Company. At the same time, I commit that all the proceeds obtained from the disposal of the shares of the Listed Company purchased within 6	August 18, 2017	Effective in the long term	As at June 30, 2025, no shares were sold.

Reasons for commitment	Party making commitment	Commitment type	Commitment content	Commitment time	Commitment period	Fulfillment status
			months before the suspension of the Listed Company for major asset restructuring would be vested in the Listed Company."			
Commitments made during asset restructuring	Lianyungang Bohong Industrial Co., Ltd.; Shenghong Petrochemical Group Co., Ltd.	Commitment on restricted sales of shares	1. The newly issued shares of the Listed Company acquired by the Company as a result of this restructuring shall not be transferred in any way or entrusted to others for management within 36 months from the date of closing of the issuance of such shares, and shall be subject to the relevant laws and regulations and the relevant requirements of the China Securities Regulatory Commission and the stock exchange after the expiration of the said 36 months. If the Company's profit compensation obligations under the Profit Forecast Compensation Agreement have not yet been fulfilled, the aforesaid lock-up period shall be extended to the date when the compensation obligor has fulfilled them. 2. Within 6 months after the Company acquires the shares of the Listed Company, if the closing price of the shares of the Listed Company is lower than the issuance price for 20 consecutive trading days, or if the closing price of the shares of the Listed Company is lower than the issuance price at the	January 27, 2022	To January 26, 2025	Restricted shares had been listed and circulated as of January 20, 2025, by which relevant commitment had been fulfilled.

Reasons for commitment	Party making commitment	Commitment type	Commitment content	Commitment time	Commitment period	Fulfillment status
			<p>end of the period of 6 months after the Company acquires the shares of the Listed Company, the lock-up period of the said shares shall be automatically extended for at least 6 months. During the lock-up period of the above-mentioned shares, the shares increased due to bonus shares or capital increase of the Listed Company shall also comply with the above agreement. 3. If the aforementioned commitment on the lock-up period of the shares of the Listed Company acquired in this restructuring is inconsistent with the latest regulatory opinions of securities regulatory authorities such as the China Securities Regulatory Commission or Shenzhen Stock Exchange, the Company will make corresponding adjustments in accordance with the relevant regulatory opinions. 4. In case of violation of the above statements and commitments, the Company is willing to bear the corresponding legal responsibilities.</p>			
Commitments made at IPO or refinancing	Jiangsu Shenghong Technology Co., Ltd.; Jiangsu Shenghong New Material Group Co., Ltd.	Other commitments	They will comply with Article 38 of the Provisions on the Supervision and Administration of Depository Receipts under the Stock Connect Scheme between Domestic and Overseas Stock	December 28, 2022	To December 27, 2025	In the process of fulfillment

Reasons for commitment	Party making commitment	Commitment type	Commitment content	Commitment time	Commitment period	Fulfillment status
			Exchanges, which stipulates that "the depositary receipts subscribed by the controlling shareholders or actual controllers of domestic listed companies and enterprises controlled by them shall not be transferred within 36 months from the listing date".			
Other commitments made to small and medium shareholders of the Company	Jiangsu Wujiang Silk Group Co., Ltd.	Other commitments	It is waiting for the regulatory departments and regulatory regulations to clarify the business format of the bulk commodity electronic trading market at the level of the legal framework; and within two years in which Suzhou Shengze China Oriental Market Textile Electronic Exchange Co., Ltd.'s return on net assets after non-recurring profit or loss for two consecutive years is higher than 6%, Silk Group will unconditionally sell its 51% equity interest in the Exchange to the listed Company at a fair market price if the Listed Company intends to purchase it.	February 14, 2014	Effective in the long term	As at June 30, 2025, the commitment performance conditions have not been met.
Other commitments	Jiangsu Shenghong Technology Co., Ltd., Shenghong Petrochemical Group Co., Ltd. and Shenghong (Suzhou) Group Co., Ltd.	Commitment on the plan for additional shareholding	The Company's controlling shareholder Shenghong Technology and its persons acting in concert Shenghong Petrochemical and Shenghong Suzhou Group planned to, within 6 months as of November 14, 2024, additionally hold A-shares of the Company through centralized bidding with Shenzhen Stock Exchange, and	November 14, 2024	To November 14, 2025	The additional shareholding has been completed, and the performance of the commitment on not reducing shareholdings within the legal period is ongoing.

Reasons for commitment	Party making commitment	Commitment type	Commitment content	Commitment time	Commitment period	Fulfillment status
			committed that they would not reduce their shareholdings in the Company during the period of additional shareholding and within the legal period, and would strictly comply with relevant provisions of relevant laws, regulations and normative documents of China Securities Regulatory Commission and Shenzhen Stock Exchange, without conducting any insider trading, share trading in sensitive period, or short-term trading.			
Other commitments	Shenghong (Suzhou) Group Co., Ltd.	Commitment on the plan for additional shareholding	Shenghong Suzhou Group, the person acting in concert and the shareholder with the shareholding ratio over 5% of the controlling shareholder Shenghong Technology planned to, within 6 months as of June 17, 2025, additionally hold A-shares of the Company through centralized bidding with Shenzhen Stock Exchange, and committed that it would complete such plan within the period for plan implementation and not reduce its shareholding in the Company during the period of additional shareholding and within the legal period, and would strictly comply with relevant provisions of relevant laws, regulations and normative documents of China Securities Regulatory Commission and Shenzhen Stock	June 17, 2025	Period of additional shareholding and within the legal period	In the process of fulfillment

Reasons for commitment	Party making commitment	Commitment type	Commitment content	Commitment time	Commitment period	Fulfillment status
			Exchange, without conducting any insider trading, or short-term trading.			
Whether these commitments have been fulfilled on time				Yes.		
If these commitments are overdue and not fulfilled, the specific reasons for the failure to fulfill and the next work plan should be given in detail.				Not applicable		

## II. Non-operational appropriation of funds by the controlling shareholder and other related parties to the Listed Company

☐Applicable ☒Not applicable

The Company had no non-operational appropriation of funds by the controlling shareholder and other related parties of the Listed Company during the reporting period.

## III. Illegal external guarantees

☐Applicable ☒Not applicable

During the reporting period, the Company had no external guarantees in violation of regulations.

## IV. Appointment and dismissal of accounting firm

Whether the semi-annual financial report has been audited

☐Yes ☒No

The Company's semi-annual report has not been audited.

## V. Explanation of the Board of Directors and the Board of Supervisors on the "non-standard audit report" to the accounting firm during the reporting period

☐Applicable ☒Not applicable

## VI. Explanation of the Board of Directors on the relevant situation of the "non-standard audit report" for the previous year

☐Applicable ☒Not applicable

## VII. Matters related to bankruptcy and reorganization

☐Applicable ☒Not applicable

During the reporting period, there was no matter related to bankruptcy and reorganization of the Company.

## VIII. Litigation matters

Significant litigation and arbitration

☐Applicable ☒Not applicable

The Company did not have any major lawsuit or arbitration issues in the reporting period.

Other litigation matters

☐Applicable ☒Not applicable

## **IX. Punishment and Rectification**

☐Applicable    ☒Not applicable

There was no punishment and rectification during the reporting period.

## **X. Integrity of the Company, Its Controlling Shareholders and Actual Controllers**

☐Applicable    ☒Not applicable

## XI. Major Related Transactions

### 1. Related transactions related to daily operations

☒Applicable ☐Not applicable

Related parties	Relationship	Type of related transactions	Content of related transaction	Pricing principles for related transactions	Related transaction price	Amount of related transactions (RMB'0,000)	Proportion in the amount of similar transactions	Approved transaction amount (RMB'0,000)	Whether exceed the approved limit or not	Settlement method of related transactions	Available market price for similar transactions
Lianyungang Hongyang Thermoelectricity Co., Ltd.	Other related relationship	Purchase of fuel, power, etc. from related parties	Steam, etc.	Transaction priced based on government guidance	Priced based on government guidance	188,519.75	99.98%	638,200.00	No	Monthly settlement	N/A
Total				--	--	188,519.75	--	638,200.00	--	--	--
Date of Disclosure				December 28, 2024							
Disclosure index				CNINFO: Announcement on Expected Routine Related Transactions in 2025 (Announcement No.: 2024-081)							
Details of large-value sales return				None							
Where the total amount of daily related transactions to occur in the current period is estimated by category, state the actual performance in the reporting period (If any)				During the reporting period, see "XIV. Related parties and related transactions" in Section VIII for related transactions relevant to routine operations between the Company and related parties.							
Reason for the large difference between the transaction price and the market reference price (If applicable)				N/A							

### 2. Related transactions related to the acquisition or sale of assets or equity

☐Applicable ☒Not applicable

During the reporting period, there was no related transaction of asset or equity acquisition or sale.



**3. Related transactions of joint foreign investment**

☐Applicable ☒Not applicable

During the reporting period, the Company has no joint external investment during the reporting period.

**4. Related creditor's rights and debts**

☒Applicable ☐Not applicable

Whether there are non-operating related claims and debts

☒Yes ☐No

Claims payable to related parties

Related party	Relationship	Forming reason	Balance as at January 1, 2025 (RMB'0,000)	Increases in the current period (RMB'0,000)	Refund in the current period (RMB'0,000)	Interest rate	Interest in the current period (RMB'0,000)	Balance as at June 30, 2025 (RMB'0,000)
Jiangsu Shenghong Technology Co., Ltd.	Controlling shareholder of the Company	Lending [Remark]	0.00	19,985.00	19,985.00	Refer to the current level of bank loan interest rate	18.15	0.00
The impact of related debts on the Company's operating results and financial position				No significant impact				

Remark: On July 26, 2022, the Company signed the Loan Agreement with Shenghong Technology and Shenghong Suzhou Group, applying for loans with the total amount less than 3 billion from Shenghong Suzhou Group and Shenghong Technology with a loan term of three years. Such loan application had been adopted upon deliberation at the 6th extraordinary general meeting of the Company for 2022. On August 8, 2025, the Company convened the 29<sup>th</sup> meeting of the 9<sup>th</sup> Board of Directors, where it reviewed and approved the "Proposal on Loans Provided by the Controlling Shareholder and Its Concerted Action to the Company and Its Subsidiaries, as well as Related Transactions." The Company plans to re-sign a loan agreement with Shenghong Technology and Shenghong Suzhou Group. The total loan amount applied for by the Company and its subsidiaries will not exceed RMB 1.5 billion. The loan interest rate will be determined based on market principles, referencing the prevailing bank loan rates during the actual loan usage period, and will be agreed upon by both parties through negotiation. The loan term is set for three years.

**5. Dealing with related financial companies**

☐Applicable ☒Not applicable

There is no deposit, loan, credit or other financial business between the company and the financial company that has a related relationship with the related party.

**6. Communications between financial companies controlled by the company and related parties**

☐Applicable ☒Not applicable

There is no deposit, loan, credit or other financial business between the financial companies controlled by the Company and related parties.

**7. Other major related transactions**

☒Applicable ☐Not applicable

During the reporting period, see "XIV. Related parties and related transactions" in Section VIII for other related transactions relevant to routine operations between the Company and related parties.

Related inquiries on temporary report disclosure website for significant related transactions

Temporary announcement name	Disclosure date of temporary announcement	Name of temporary announcement disclosure website
Announcement on Expected Routine Related transactions in 2025 (Announcement No.: 2024-081)	December 28, 2024	CNINFO
Announcement on Loans Provided by the Controlling Shareholder and Its Concerted Action to the Company and Its Subsidiaries, as well as Related Transactions (Announcement No.: 2025-063)	August 9, 2025	CNINFO

**XII. Major Contracts and Performance Thereof****1. Matters concerning trusteeship, contracting and leasing****(1) Trusteeship situation**

☐Applicable ☒Not applicable

There was no trusteeship during the reporting period.

**(2) Contracting status**

☐Applicable ☒Not applicable

There was no contracting during the reporting period.

**(3) Lease situation**

☐Applicable ☒Not applicable

There was no lease during the reporting period.

**2. Major guarantee**

☒Applicable ☐Not applicable

Monetary unit: RMB '0,000

External guarantees of the Company and its subsidiaries (excluding guarantees for subsidiaries)

Total amount of external guarantees approved during the reporting period (A1)		0		Total actual amount of external guarantee during the reporting period (A2)		0		
Total amount of external guarantee approved as at the end of the reporting period (A3)		0		Total actual balance of external guarantees as at the end of the reporting period (A4)		0		
Guarantees of the Company to its subsidiaries								
Name of guarantee object	Disclosure date of announcements related to guarantee amount	Guarantee amount	Date of actual occurrence	Actual amount of guarantee	Guarantee type	Guarantee period	Whether the performance has been completed	Whether guaranteed by the related party
Jiangsu Shengze Gas Turbine Thermal Power	March 13, 2018	80,000.00	September 10, 2019	46,250.00	Joint liability guarantee	September 10, 2037	No	No
Honggang Petrochemical	August 31, 2019	270,000.00	September 20, 2019	179,208.70	Joint liability guarantee	September 20, 2032	No	No
Shenghong Refining & Chemical	July 4, 2020	4,150,000.00	November 13, 2020	3,530,603.47	Joint liability guarantee	November 12, 2038	No	No
Guowang (Suqian)	July 17, 2021	275,000.00	August 23, 2021	196,850.00	Joint liability guarantee	March 1, 2031	No	No
Reborn Technology	December 16, 2021	250,000.00	December 21, 2021	58,102.50	Joint liability guarantee	December 20, 2031	No	No
Reborn Technology			January 20, 2022	52,864.74	Joint liability guarantee	January 20, 2032	No	No
Hongjing New Materials	January 13, 2023	840,000.00	March 24, 2023	838,375.00	Joint liability guarantee	March 23, 2041	No	No
Hongwei Chemical	January 13, 2023	400,000.00	February 6, 2023	250,093.45	Joint liability guarantee	March 23, 2037	No	No
Zhonglu Technology	December 27, 2024	[Remark]	October 31, 2024	12,500.00	Joint liability guarantee	October 30, 2030	No	No
Rongtai Chemical Warehousing	December 27, 2024		October 29, 2024	29,700.00	Joint liability guarantee	October 28, 2032	No	No
Shenghong (Shanghai) New Material	December 27, 2024		October 31, 2024	16,400.93	Joint liability guarantee	September 21, 2037	No	No
Liaoning Province Petroleum-chemical Industry Planning &	December 27, 2024		January 15, 2025	710.00	Joint liability guarantee	June 6, 2029	No	No

Designing Institute Co., Ltd.								
Siyang Yiyang Environmental Energy Co., Ltd.	December 27, 2024		March 21, 2025	4,541.10	Joint liability guarantee	December 28, 2035	No	No
Shenghong Fiber	December 27, 2024		February 8, 2025	30,000.00	Joint liability guarantee	March 24, 2029	No	No
Guowang Hi-Tech	December 27, 2024		January 1, 2024	37,500.00	Joint liability guarantee	November 30, 2028	No	No
Guowang Hi-Tech	December 27, 2024		December 23, 2024	59,800.00	Joint liability guarantee	December 24, 2029	No	No
Guowang Hi-Tech	December 27, 2024		December 23, 2024	4,100.55	Joint liability guarantee	December 24, 2029	No	No
Guowang Hi-Tech	December 27, 2024		January 13, 2025	30,000.00	Joint liability guarantee	April 23, 2029	No	No
Guowang Hi-Tech	December 27, 2024		February 26, 2025	20,000.00	Joint liability guarantee	October 27, 2028	No	No
Guowang Hi-Tech	December 27, 2024		March 26, 2024	105,107.45	Joint liability guarantee	March 21, 2034	No	No
Guowang Hi-Tech	December 27, 2024		February 29, 2024	40,000.00	Joint liability guarantee	February 28, 2030	No	No
Guowang Hi-Tech	December 27, 2024		February 8, 2024	33,333.34	Joint liability guarantee	February 8, 2029	No	No
Guowang Hi-Tech	December 27, 2024		September 27, 2024	10,900.00	Joint liability guarantee	March 20, 2029	No	No
Guowang Hi-Tech	December 27, 2024		February 8, 2025	10,000.00	Joint liability guarantee	April 22, 2029	No	No
Guowang Hi-Tech	December 27, 2024		May 12, 2022	20,000.00	Joint liability guarantee	May 16, 2029	No	No
Guowang Hi-Tech	December 27, 2024		August 19, 2024	23,000.00	Joint liability guarantee	November 5, 2028	No	No
Guowang Hi-Tech	December 27, 2024		September 26, 2024	29,571.50	Joint liability guarantee	December 9, 2028	No	No
Guowang Hi-Tech	December 27, 2024		November 27, 2024	59,900.00	Joint liability guarantee	November 20, 2029	No	No

Guowang Hi-Tech	December 27, 2024		November 29, 2024	42,525.77	Joint liability guarantee	November 28, 2028	No	No
Guowang Hi-Tech	December 27, 2024		June 26, 2025	15,000.00	Joint liability guarantee	June 24, 2029	No	No
Guowang Hi-Tech	December 27, 2024		January 1, 2025	11,573.00	Joint liability guarantee	December 29, 2028	No	No
Guowang Hi-Tech	December 27, 2024		January 18, 2025	15,000.00	Joint liability guarantee	January 15, 2029	No	No
Guowang Hi-Tech	December 27, 2024		February 14, 2025	1,400.00	Joint liability guarantee	February 12, 2029	No	No
Guowang Hi-Tech	December 27, 2024		December 17, 2024	10,000.00	Joint liability guarantee	December 17, 2028	No	No
Guowang Hi-Tech	December 27, 2024		January 9, 2025	15,075.99	Joint liability guarantee	January 9, 2029	No	No
Reborn Technology	December 27, 2024		March 24, 2022	99,319.74	Joint liability guarantee	March 24, 2033	No	No
Reborn Technology	December 27, 2024		June 1, 2022	28,859.31	Joint liability guarantee	August 2, 2031	No	No
Shenghong Refining & Chemical	December 27, 2024		June 30, 2022	344,000.00	Joint liability guarantee	June 29, 2036	No	No
Shenghong Refining & Chemical	December 27, 2024		August 28, 2024	350,000.00	Joint liability guarantee	August 23, 2029	No	No
Shenghong Refining & Chemical	December 27, 2024		September 26, 2023	148,831.00	Joint liability guarantee	September 25, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		July 25, 2024	149,900.00	Joint liability guarantee	July 25, 2029	No	No
Shenghong Refining & Chemical	December 27, 2024		August 28, 2024	99,900.00	Joint liability guarantee	August 28, 2029	No	No
Shenghong Refining & Chemical	December 27, 2024		October 28, 2024	375,800.00	Joint liability guarantee	October 31, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		September 29, 2024	47,500.00	Joint liability guarantee	September 29, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		December 26, 2024	23,546.00	Joint liability guarantee	December 31, 2028	No	No

Shenghong Refining & Chemical	December 27, 2024		November 11, 2024	146,711.77	Joint liability guarantee	October 20, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		July 19, 2024	133,233.80	Joint liability guarantee	July 17, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		December 17, 2024	177,821.24	Joint liability guarantee	December 16, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		March 4, 2025	86,696.77	Joint liability guarantee	December 11, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		March 4, 2025	406,622.67	Joint liability guarantee	December 11, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		June 4, 2025	40,000.00	Joint liability guarantee	May 29, 2029	No	No
Shenghong Refining & Chemical	December 27, 2024		March 31, 2025	20,000.00	Joint liability guarantee	September 28, 2029	No	No
Shenghong Refining & Chemical	December 27, 2024		February 25, 2025	80,718.93	Joint liability guarantee	February 24, 2029	No	No
Shenghong Refining & Chemical	December 27, 2024		August 29, 2024	72,835.05	Joint liability guarantee	March 18, 2029	No	No
Shenghong Refining & Chemical	December 27, 2024		August 29, 2024	224,835.83	Joint liability guarantee	June 5, 2029	No	No
Shenghong Refining & Chemical	December 27, 2024		February 19, 2025	30,000.00	Joint liability guarantee	July 16, 2029	No	No
Shenghong Refining & Chemical	December 27, 2024		May 29, 2025	298,366.94	Joint liability guarantee	May 28, 2029	No	No
Shenghong Refining & Chemical	December 27, 2024		December 31, 2024	61,221.99	Joint liability guarantee	December 31, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		December 17, 2024	111,284.64	Joint liability guarantee	December 17, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		December 4, 2024	107,991.01	Joint liability guarantee	December 4, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		September 15, 2023	88,386.00	Joint liability guarantee	December 13, 2032	No	No
Shenghong Refining & Chemical	December 27, 2024		November 21, 2024	9,999.28	Joint liability guarantee	September 30, 2028	No	No

Shenghong Refining & Chemical	December 27, 2024		December 26, 2024	10,000.00	Joint liability guarantee	November 30, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		December 26, 2024	9,744.00	Joint liability guarantee	November 30, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		March 28, 2025	10,000.00	Joint liability guarantee	February 28, 2029	No	No
Shenghong Refining & Chemical	December 27, 2024		April 22, 2025	10,203.17	Joint liability guarantee	April 21, 2029	No	No
Shenghong Refining & Chemical	December 27, 2024		June 5, 2025	25,132.07	Joint liability guarantee	December 2, 2027	No	No
Shenghong Refining & Chemical	December 27, 2024		December 17, 2024	295,479.28	Joint liability guarantee	November 29, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		November 29, 2024	13,570.39	Joint liability guarantee	December 31, 2027	No	No
Shenghong Refining & Chemical	December 27, 2024		May 14, 2025	51,816.17	Joint liability guarantee	May 13, 2029	No	No
Shenghong Refining & Chemical	December 27, 2024		May 14, 2025	71,618.44	Joint liability guarantee	May 13, 2029	No	No
Shenghong Refining & Chemical	December 27, 2024		December 20, 2024	50,000.00	Joint liability guarantee	December 19, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		March 18, 2025	-	Joint liability guarantee	March 18, 2029	No	No
Shenghong Refining & Chemical	December 27, 2024		May 21, 2024	49,153.38	Joint liability guarantee	No maturity date	No	No
Petrochemical (Singapore)	December 27, 2024		January 16, 2025	89,500.00	Joint liability guarantee	July 16, 2028	No	No
Petrochemical (Singapore)	December 27, 2024		December 11, 2024	-	Joint liability guarantee	June 10, 2028	No	No
Petrochemical (Singapore)	December 27, 2024		February 27, 2025	50,000.00	Joint liability guarantee	February 27, 2030	No	No
Petrochemical (Singapore)	December 27, 2024		January 10, 2025	20,000.00	Joint liability guarantee	April 14, 2028	No	No
Petrochemical (Singapore)	December 27, 2024		August 30, 2024	190,000.00	Joint liability guarantee	August 30, 2028	No	No

Petrochemical (Singapore)	December 27, 2024		January 20, 2025	70,000.00	Joint liability guarantee	July 16, 2026	No	No
Petrochemical (Singapore)	December 27, 2024		January 2, 2025	65,000.00	Joint liability guarantee	November 24, 2025	No	No
Petrochemical (Singapore)	December 27, 2024		January 1, 2025	49,662.72	Joint liability guarantee	December 31, 2025	No	No
Sierbang Petrochemical	December 27, 2024		November 26, 2024	20,000.00	Joint liability guarantee	August 23, 2029	No	No
Sierbang Petrochemical	December 27, 2024		November 26, 2024	30,000.00	Joint liability guarantee	August 23, 2029	No	No
Sierbang Petrochemical	December 27, 2024		June 25, 2025	60,000.00	Joint liability guarantee	June 25, 2029	No	No
Sierbang Petrochemical	December 27, 2024		December 16, 2024	19,900.00	Joint liability guarantee	December 17, 2029	No	No
Sierbang Petrochemical	December 27, 2024		March 8, 2024	50,000.00	Joint liability guarantee	November 10, 2028	No	No
Sierbang Petrochemical	December 27, 2024		April 9, 2025	5,961.25	Joint liability guarantee	March 16, 2029	No	No
Sierbang Petrochemical	December 27, 2024		January 2, 2024	10,000.00	Joint liability guarantee	December 15, 2027	No	No
Sierbang Petrochemical	December 27, 2024		November 29, 2024	5,000.00	Joint liability guarantee	September 29, 2028	No	No
Sierbang Petrochemical	December 27, 2024		July 19, 2024	38,185.56	Joint liability guarantee	July 17, 2028	No	No
Sierbang Petrochemical	December 27, 2024		December 6, 2023	46,818.12	Joint liability guarantee	December 31, 2027	No	No
Sierbang Petrochemical	December 27, 2024		November 28, 2024	26,477.53	Joint liability guarantee	December 31, 2028	No	No
Sierbang Petrochemical	December 27, 2024		January 29, 2023	6,250.00	Joint liability guarantee	January 15, 2029	No	No
Sierbang Petrochemical	December 27, 2024		January 29, 2023	7,500.00	Joint liability guarantee	January 15, 2029	No	No
Sierbang Petrochemical	December 27, 2024		February 7, 2024	10,500.00	Joint liability guarantee	February 15, 2030	No	No



Sierbang Petrochemical	December 27, 2024		February 7, 2024	15,750.00	Joint liability guarantee	February 15, 2030	No	No
Sierbang Petrochemical	December 27, 2024		January 7, 2025	36,666.67	Joint liability guarantee	January 7, 2030	No	No
Sierbang Petrochemical	December 27, 2024		April 25, 2025	40,000.00	Joint liability guarantee	April 27, 2033	No	No
Sierbang Petrochemical	December 27, 2024		April 25, 2025	40,000.00	Joint liability guarantee	April 27, 2030	No	No
Sierbang Petrochemical	December 27, 2024		April 15, 2024	63,056.68	Joint liability guarantee	April 14, 2028	No	No
Sierbang Petrochemical	December 27, 2024		April 15, 2025	5,000.00	Joint liability guarantee	April 14, 2029	No	No
Sierbang Petrochemical	December 27, 2024		August 29, 2024	24,800.00	Joint liability guarantee	December 26, 2028	No	No
Sierbang Petrochemical	December 27, 2024		August 29, 2024	20,770.24	Joint liability guarantee	March 25, 2029	No	No
Sierbang Petrochemical	December 27, 2024		June 25, 2023	34,986.13	Joint liability guarantee	June 25, 2031	No	No
Sierbang Petrochemical	December 27, 2024		March 28, 2025	5,000.00	Joint liability guarantee	March 28, 2029	No	No
Sierbang Petrochemical	December 27, 2024		March 13, 2025	30,000.00	Joint liability guarantee	December 31, 2028	No	No
Sierbang Petrochemical	December 27, 2024		April 29, 2025	25,000.00	Joint liability guarantee	April 27, 2029	No	No
Sierbang Petrochemical	December 27, 2024		December 17, 2024	70,000.00	Joint liability guarantee	December 17, 2028	No	No
Total amount of guarantees for subsidiaries approved during the reporting period (B1)			[Remark]	Total actual amount of guarantee for subsidiaries during the reporting period (B2)		4,235,418.72		
Total amount of guarantees for subsidiaries approved as at the end of the reporting period (B3)		[Remark]	Total actual balance of guarantees for subsidiaries as at the end of the reporting period (B4)		11,482,871.26			
Guarantees provided by subsidiaries for subsidiaries and by subsidiaries for the Company								
Name of guarantee object	Disclosure date of announcements	Guarantee amount	Date of actual occurrence	Actual amount of guarantee	Guarantee type	Guarantee period	Whether the performance has been	Whether guaranteed by the related

	related to guarantee amount						completed	party
Ganghong Fiber	December 27, 2024	[Remark]	June 28, 2021	36,228.50	Joint liability guarantee	July 6, 2031	No	No
Ganghong Fiber	December 27, 2024		December 24, 2024	30,000.00	Joint liability guarantee	January 19, 2029	No	No
Ganghong Fiber	December 27, 2024		September 27, 2024	5,000.00	Joint liability guarantee	March 19, 2029	No	No
Ganghong Fiber	December 27, 2024		October 17, 2024	30,000.00	Joint liability guarantee	October 29, 2028	No	No
Ganghong Fiber	December 27, 2024		December 20, 2023	22,000.00	Joint liability guarantee	January 14, 2029	No	No
Ganghong Fiber	December 27, 2024		November 8, 2024	38,000.00	Joint liability guarantee	July 13, 2029	No	No
Ganghong Fiber	December 27, 2024		December 10, 2024	39,950.00	Joint liability guarantee	June 19, 2029	No	No
Ganghong Fiber	December 27, 2024		December 10, 2024	20,000.00	Joint liability guarantee	December 13, 2028	No	No
Shenghong Fiber	December 27, 2024		December 20, 2023	1,000.00	Joint liability guarantee	December 5, 2028	No	No
Shenghong Fiber	December 27, 2024		November 8, 2024	23,767.36	Joint liability guarantee	December 19, 2028	No	No
Shenghong Fiber	December 27, 2024		December 23, 2024	25,300.00	Joint liability guarantee	June 11, 2029	No	No
Shenghong Fiber	December 27, 2024		December 23, 2024	361.69	Joint liability guarantee		No	No
Shenghong Fiber	December 27, 2024		February 2, 2024	19,940.00	Joint liability guarantee	January 10, 2029	No	No
Shenghong Fiber	December 27, 2024		February 14, 2025	15,560.00	Joint liability guarantee	September 28, 2028	No	No
Shenghong Fiber	December 27, 2024		September 27, 2024	10,000.00	Joint liability guarantee	December 18, 2028	No	No
Zhonglu Technology	December 27, 2024		November 8, 2024	20,991.05	Joint liability guarantee	May 28, 2029	No	No
Zhonglu	December 27,		December	20,000.00	Joint	December	No	No

Technology	2024		25, 2024		liability guarantee	30, 2028		
Zhonglu Technology	December 27, 2024		July 23, 2024	10,000.00	Joint liability guarantee	October 22, 2028	No	No
Suzhen Bioengineering	December 27, 2024		September 27, 2024	5,000.00	Joint liability guarantee	March 17, 2029	No	No
Reborn Technology	December 27, 2024		May 22, 2024	9,282.11	Joint liability guarantee	May 29, 2029	No	No
Petrochemical Industry Group	December 27, 2024		September 8, 2024	3,500.00	Joint liability guarantee	December 8, 2028	No	No
Shenghong Refining & Chemical	December 27, 2024		September 22, 2023	3,530,603.47	Joint liability guarantee and pledge	November 12, 2038	No	No
Petrochemical (Singapore)	December 27, 2024		March 17, 2025	24,273.02	Joint liability guarantee	April 15, 2027	No	No
The Company	December 27, 2024		January 1, 2022	94,700.00	Joint liability guarantee	December 28, 2029	No	No
	December 27, 2024		February 28, 2022	12,390.00	Joint liability guarantee	December 28, 2029	No	No
	December 27, 2024		March 29, 2022	6,000.00	Joint liability guarantee	December 28, 2029	No	No
	December 27, 2024		April 15, 2022	24,000.00	Joint liability guarantee	December 28, 2029	No	No
	December 27, 2024		December 8, 2023	95,900.00	Joint liability guarantee and pledge	December 1, 2028	No	No
	December 27, 2024		December 8, 2023	39,420.00	Joint liability guarantee and pledge	December 1, 2028	No	No
Total amount of guarantees for subsidiaries approved during the reporting period (C1)		[Remark]	Total actual amount of guarantee for subsidiaries during the reporting period (C2)		257,435.60			
Total amount of guarantees for subsidiaries approved as at the end of the reporting period (C3)		[Remark]	Total actual balance of guarantees for subsidiaries as at the end of the reporting period (C4)		4,213,167.20			

Total amount of the Company's guarantees (that is, the total of the first three items)			
Total approved amount of guarantees during the reporting period (A1+B1+C1)	12,442,300.00	Total actual amount of guarantees during the reporting period (A2+B2+C2)	4,492,854.32
Total approved amount of guarantees at the end of the reporting period (A3+B3+C3)	18,707,300.00	Total actual balance of guarantee at the end of the reporting period (A4+B4+C4)	15,696,038.46
Ratio of the total actual guarantee amount (i.e. A4+B4+C4) to the Company's net assets		454.38%	
Including:			
Balance of guarantee provided for shareholders, actual controllers and their related parties (D)		0.00	
Balance of debt guarantees provided directly or indirectly for the guaranteed object whose asset-liability ratio exceeds 70% (E)		13,334,200.58	
Excess of total guarantees over 50% of net assets (F)		13,968,835.62	
Total of the above three guarantees (D+E+F)		27,303,036.20	

Remark: According to the Proposal on the Anticipation of Mutual Guarantee Limit for 2025 adopted upon deliberation at the 24<sup>th</sup> meeting of the 9<sup>th</sup> Board of Directors held by the Company on December 27, 2024, it is anticipated that the mutual guarantee limit between the Company and its subsidiaries in 2025 will not exceed RMB 124.423 billion, and the guarantee limit will be valid within 12 months from the date when such limit is adopted upon deliberation at the 1st extraordinary general meeting of the Company for 2025. After the approval of this guarantee, the total amount of guarantees provided by the Company and its subsidiaries will not exceed the equivalent of RMB 187.073 billion. This proposal was adopted upon deliberation at the first extraordinary general meeting of the Company for 2025 on January 14, 2025.

### 3. Entrusted financial management

☐Applicable ☒Not applicable

There was no entrusted wealth management of the Company in the reporting period.

### 4. Other major contracts

☒Applicable ☐Not applicable

Contracting party	Counterparty	Contract object	Contract signing date	Book value of assets involved in the contract (RMB '0,000)	Pricing principle	Transaction price (RMB '0,000)	A related transaction or not	Relationship
Jiangsu Shenghong Petrochemical Industry Group Co., Ltd.	Hootech Inc.	Assets of waste catalysts	December 16, 2024	198,558.25	Adopting three order models of closing-price order, limit order and instant order	/	No	No
Implementation at the end of the reporting period				Part of the contracted assets had been delivered to Hootech Inc.. At present, the pricing of all precious metals has not				

Contracting party	Counterparty	Contract object	Contract signing date	Book value of assets involved in the contract (RMB '0,000)	Pricing principle	Transaction price (RMB '0,000)	A related transaction or not	Relationship
				been completed, thus, the final detectable amount of precious metals has not been recognized yet, and the contract is being executed normally.				
Date of disclosure				December 14, 2024				
Disclosure index				CNINFO: Announcement on Sales of Precious Metal Waste Catalysts by Subsidiaries (Announcement No.: 2024-077)				

### XIII. Explanation of other important matters

☒Applicable ☐Not applicable

#### 1. Information on the additional shareholding of the controlling shareholder and persons acting in concert

On November 14, 2024, the Company issued the Announcement on the Plan to Increase Shareholding in the Company by the Controlling Shareholder and Its Concerted Action (Announcement No.: 2024-073). By the end of this reporting period, the implementation of such shareholding increase plan had been completed. From November 14, 2024 to May 13, 2025, Shenghong Technology (controlling shareholder of the Company) and its concerted action (Shenghong Petrochemical and Shenghong Suzhou Group) collectively held 223,712,060 shares of the Company through centralized bidding with Shenzhen Stock Exchange. Shares increase accounted for 3.38% of the Company's total share capital (calculated based on the total share capital of 6,611,226,689 shares of the Company on May 13, 2025), and amounted to RMB 2,020,310,400.00 (excluding transaction costs).

#### 2. Information on the additional shareholding of persons acting in concert and shareholders with the shareholding ratio over 5% of controlling shareholders

On June 17, 2025, the Company issued to Announcement on the Plan to Increase Shareholding in the Company by the Concerted Action of the Controlling Shareholder and Shareholder Holding More Than 5% of the Company's Shares (Announcement No. 2025-054). By the end of the reporting period, Shenghong Suzhou Group, the concerted action of the controlling shareholder Shenghong Technology and the shareholder with the shareholding ratio over 5% , collectively held 1,290,700 shares in the Company, and such shares accounted for 0.02% of the total share capital of the Company. By the end of the reporting period, such shareholding increase plan had not been completed.

#### 3. Matters on government grants

According to the Announcement on the Acquisition of Government Grants (Announcement No.: 2025-008) issued by the Company on January 18, 2025, Shenghong Refining & Chemical, a wholly-owned subsidiary of the Company, had received the approval document of government grants and was expected to acquire the income-related government grants of RMB 336,557,320. By the end of the reporting period, Shenghong Refining & Chemical had not received such government grants.

#### 4. Issuance and duration of GDRs

According to the Official Reply on Approving the Initial Public Offering of Global Depositary Receipts by Jiangsu Eastern Shenghong Co., Ltd. and Listing on the SIX Swiss Exchange (ZJXX [2022] No.3151) issued by the China Securities Regulatory Commission, the Company issued 39,794,000 GDRs on December 28, 2022 (Swiss time) and was listed on the SIX Swiss Exchange, corresponding to 397,940,000 underlying shares of the Company's A Shares.

The controlling shareholder of the Company, Shenghong Technology, and its person acting in concert, Shenghong New Material, participated in the Company's issuance. Shenghong Technology totally held 8,310,000 GDRs through overseas securities investment products of the Qualified Domestic Institutional Investor (QDII) and the income swap contract. Shenghong New Material totally held 19,390,000 GDRs through overseas securities investment products of the QDII. Shenghong Technology and Shenghong New Material have complied with the

provision, reading that the depositary receipts subscribed by the controlling shareholders or actual controllers and enterprises controlled by them shall not be transferred within 36 months from the listing date set forth in the Provisions on the Supervision and Administration of Depositary Receipts under the Stock Connect Scheme between Domestic and Overseas Stock Exchanges.

The redemption restriction period for the Company's GDRs will expire on April 26, 2023 (Swiss time). The number of GDRs at the expiration of the redemption restriction period is 39,794,000, corresponding to 397,940,000 A shares of the Company. Upon the expiration of the redemption restriction period, the number of GDRs of the Company will be reduced as a result of the redemption of the GDRs, while the redemption of the GDRs will result that the number of A shares of the Company held by the depositary, Citibank, National Association, as the nominal holder, will be corresponding reduced in accordance with the GDR cancellation order and such shares will be circulated and traded in the domestic market.

At the end of the reporting period, Citibank and National Association, GDR depositaries of the Company held 277,000,000 shares of A-stock of the Company as nominee holders, and those shares accounted for 69.61% of the number of the Company's basic A-shares corresponding to the GDRs actually issued by the Company as approved by the CSRC.

Related inquiries on temporary report disclosure website for major events

Summary of major events	Date of disclosure	Inquiry index of temporary report disclosure website
Issuance and duration of GDRs	December 29, 2022	CNINFO, Announcement on the Issuance of GDRs and Listing and Trading on the SIX Swiss Exchange (Announcement No. 2022-157) and Announcement on the Increase in Shareholdings by Controlling Shareholder and Its Concerted Action (Announcement No. 2022-159)
	April 19, 2023	CNINFO, Announcement on the Imminent Expiry of the Restriction Period for GDR Redemption (Announcement No.: 2023-046)
	April 21, 2023	CNINFO, First Prompt Announcement on the Redeemability of GDRs (Announcement No.: 2023-051)
	April 22, 2023	CNINFO, Second Prompt Announcement on the Redeemability of GDRs (Announcement No.: 2023-052)
	April 25, 2023	CNINFO, Third Prompt Announcement on the Redeemability of GDRs (Announcement No.: 2023-053)

#### XIV. Significant events of the Company's subsidiaries

☐Applicable ☒Not applicable

## Section VI Changes in Shares and Shareholders' Information

### I. Changes in shares

#### 1. Changes in shares

Unit: share

	Before this change		Change in the current period (+,-)					After this change	
	Quantity	Proportion	New shares issued	Share donation	Conversion of capital reserves into share capital	Others	Sub-total	Quantity	Proportion
I. Shares with restrictive conditions for sales	1,114,202,898	16.85%				-1,111,528,326	-1,111,528,326	2,674,572	0.04%
1. State-owned shares									
2. State-owned legal person's shares									
3. Shares held by other domestic capital	1,114,202,898	16.85%				-1,111,528,326	-1,111,528,326	2,674,572	0.04%
Including: shares held by domestic legal persons	1,111,528,326	16.81%				-1,111,528,326	-1,111,528,326	0	0.00%
Shares held by domestic natural person	2,674,572	0.04%				0	0	2,674,572	0.04%
4. Foreign shareholding									
Including: shares held by overseas legal person									
Shares held by overseas natural person									
II. Shares without restrictive conditions for sales	5,497,018,809	83.15%				1,111,534,593	1,111,534,593	6,608,553,402	99.96%
1. RMB common stock	5,497,018,809	83.15%				1,111,534,593	1,111,534,593	6,608,553,402	99.96%
2. Foreign shares listed domestically									
3. Foreign shares listed overseas									
4. Others									
III. Total number of shares	6,611,221,707	100.00%				6,267	6,267	6,611,227,974	100.00%

Reasons for share changes

☒Applicable ☐Not applicable

### (1) Convertible debt-to-equity swap

On March 22, 2021, the Company publicly offered convertible corporate bonds ("Shenghong Convertible Bond", under bond code "127030"), which were listed and traded on the Shenzhen Stock Exchange as of April 21, 2021, with a term of 6 years. "Shenghong Convertible Bond" can be converted into shares of the Company from September 27, 2021. During the reporting period, due to the conversion of some "Shenghong Convertible Bond" into common A-shares of the Company, the total share capital of the Company increased by 6,267 shares.

### (2) Restricted shares listed and traded on the market

According to the Official Reply on Approving Jiangsu Eastern Shenghong Co., Ltd. to Purchase Assets and Raise Matching Funds by Issuing Shares to Shenghong Petrochemical Group Co., Ltd. and other Companies (ZJXX [2021] No. 4179) issued by the China Securities Regulatory Commission, Jiangsu Eastern Shenghong Co., Ltd. was approved to issue 1,052,404,479 shares of stock to Shenghong Petrochemical Group Co., Ltd. and 59,123,847 shares of stock to Lianyungang Bohong Industrial Co., Ltd.. The stock issued had been listed with Shenzhen Stock Exchange on January 27, 2022 with a restricted period of 36 months. These restricted shares had been listed and traded on the market as of January 27, 2025.

Approval of changes in shares

☐Applicable ☒Not applicable

Transfer status of share changes

☐Applicable ☒Not applicable

Implementation progress of share repurchases

☐Applicable ☒Not applicable

Progress of implementation of the reduction of repurchased shares by means of centralized bidding

☐Applicable ☒Not applicable

Impact of changes in shares on financial indicators such as basic earnings per share, diluted earnings per share, and net assets per share attributable to common shareholders of the Company in the last year and the latest period

☒Applicable ☐Not applicable

Due to the impact of conversion of corporate convertible bonds into shares, the shares increased by 6,267 in the current period. The basic earnings per fully diluted share in the first half of 2025 was RMB 0.06 per share, and the net asset attributable to shareholders of the Listed Company was RMB 5.23 per share.

Other content that the Company deems necessary or required to be disclosed by securities regulators

☐Applicable ☒Not applicable

## 2. Changes in restricted shares

☒Applicable ☐Not applicable

Unit: share

Shareholder's name	Number of restricted shares at the beginning of the period	Number of restricted shares lifted in the current period	Increase in restricted shares in the current period	Number of restricted shares at the end of the period	Reasons for sales restriction	Date of release of restricted sales
Shenghong Petrochemical Group Co., Ltd.	1,052,404,479	1,052,404,479	0	0	Non-public issuance of additional shares	Restricted shares were listed and



Shareholder's name	Number of restricted shares at the beginning of the period	Number of restricted shares lifted in the current period	Increase in restricted shares in the current period	Number of restricted shares at the end of the period	Reasons for sales restriction	Date of release of restricted sales
Lianyungang Bohong Industrial Co., Ltd.	59,123,847	59,123,847	0	0	in issuing shares and paying cash to purchase assets and raising supporting funds in January 2022	circulated on January 27, 2025
Ji Gaoxiong	802,500	0	0	802,500	Locked shares for directors, supervisors and senior executives	Release of restricted sale by installments in accordance with relevant regulations
Ni Genyuan	734,997	0	0	734,997		
Qiu Hairong	554,625	0	0	554,625		
Wang Jun	582,450	0	0	582,450		
Total	1,114,202,898	1,111,528,326	0	2,674,572	--	--

## II. Securities issuance and listing

☐Applicable ☒Not applicable

## III. Number and shareholding of the Company's shareholders

Unit: share

Total number of common shareholders as at the end of the reporting period		82,965		Total of preferred shareholders holding resumed voting rights at the end of the reporting period (If any)		0		
Shareholdings of shareholders holding more than 5% of the shares or the top 10 shareholders(excluding shares lent through refinancing)								
Shareholder's name	Nature of shareholder	Shareholding ratio	Number of shares held at the end of the reporting period	Changes during the reporting period	Number of shares with restricted conditions	Number of shares subject to no restrictions	Pledging, marking or freezing	
							Share status	Quantity
Jiangsu Shenghong Technology Co., Ltd.	Domestic non-state-owned legal person	43.24%	2,858,492,440	68,946,962	0	2,858,492,440	N/A	0
Shenghong Petrochemical Group Co., Ltd.	Domestic non-state-owned legal person	16.92%	1,118,692,575	43,485,682	0	1,118,692,575	Pledge	127,000,000
Shenghong (Suzhou) Group Co., Ltd.	Domestic non-state-owned legal person	6.10%	403,269,192	46,907,818	0	403,269,192	N/A	0

Citibank, National Association	Overseas legal person	4.19%	277,000,000	0	0	277,000,000	N/A	0
Jiangsu Wujiang Silk Group Co., Ltd.	State-owned legal person	1.86%	122,662,170	0	0	122,662,170	N/A	0
Shaanxi International Trust Co., Ltd. - SITI · Eastern Shenghong Phase II Employee Shareholding Collective Fund Trust Plan	Others	1.25%	82,522,600	0	0	82,522,600	N/A	0
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	1.22%	80,399,414	-875,961	0	80,399,414	N/A	0
Suzhou Wujiang Dongfang State-Owned Assets Investment Operation Co., Ltd.	State-owned legal person	1.02%	67,719,400	0	0	67,719,400	N/A	0
Shaanxi International Trust Co., Ltd. - SITI · Controlling Shareholder and its Affiliates of Eastern Shenghong Phase III No.2 Employee Shareholding Collective Fund Trust Plan	Others	0.99%	65,657,432	0	0	65,657,432	N/A	0
Xuan Yuan Private Fund Investment Management (Guangdong) Co., Ltd. - Xuan Yuan Yuan Bao No.19 Private Securities Investment Fund	Others	0.96%	63,756,084	0	0	63,756,084	N/A	0
Strategic investors or general corporations becoming top 10 shareholders as a result of placing new shares			N/A					
Notes to shareholders' related relationship or concerted actions			Jiangsu Shenghong Technology Co., Ltd., Shenghong Petrochemical Group Co., Ltd., and Shenghong (Suzhou) Group Co., Ltd. are controlled by the same actual controller and are persons acting in concert. Beside this, the Company is not aware of whether there is any associated relationship among other shareholders, nor is it aware of their concerted actions.					

Notes to the above shareholders' involvement in entrusted/entrusted voting rights and waiver of voting rights:	N/A		
Special note on the existence of special repurchase accounts among the top 10 shareholders	N/A		
Shareholdings of the top 10 shareholders not subject to sales restrictions (excluding shares lent through refinancing and shares locked for senior executives)			
Shareholder's name	Number of unlimited shares held at the end of the reporting period	Type of shares	
		Type of shares	Quantity
Jiangsu Shenghong Technology Co., Ltd.	2,858,492,440	RMB common share	2,858,492,440
Shenghong Petrochemical Group Co., Ltd.	1,118,692,575	RMB common share	1,118,692,575
Shenghong (Suzhou) Group Co., Ltd.	403,269,192	RMB common share	403,269,192
Citibank, National Association	277,000,000	RMB common share	277,000,000
Jiangsu Wujiang Silk Group Co., Ltd.	122,662,170	RMB common share	122,662,170
Shaanxi International Trust Co., Ltd. - SITI · Eastern Shenghong Phase II Employee Shareholding Collective Fund Trust Plan	82,522,600	RMB common share	82,522,600
Hong Kong Securities Clearing Company Ltd.	80,399,414	RMB common share	80,399,414
Suzhou Wujiang Dongfang State-Owned Assets Investment Operation Co., Ltd.	67,719,400	RMB common share	67,719,400
Shaanxi International Trust Co., Ltd. - SITI · Controlling Shareholder and its Affiliates of Eastern Shenghong Phase III No.2 Employee Shareholding Collective Fund Trust Plan	65,657,432	RMB common share	65,657,432
Xuan Yuan Private Fund Investment Management (Guangdong) Co., Ltd. - Xuan Yuan Yuan Bao No.19 Private Securities Investment Fund	63,756,084	RMB common share	63,756,084
Notes to the related relationship or concerted action among the top 10 shareholders not subject to sales restrictions, and between the top 10 shareholders not subject to sales restrictions and the top 10 shareholders	Jiangsu Shenghong Technology Co., Ltd., Shenghong Petrochemical Group Co., Ltd. and Shenghong (Suzhou) Group Co., Ltd. are controlled by the same actual controller and are persons acting in concert. Beside this, the Company is not aware of whether there is any associated relationship among other shareholders, nor is it aware of their concerted actions.		
Description of the participation of top 10 common shareholders in securities margin trading	Xuan Yuan Private Fund Investment Management (Guangdong) Co., Ltd. - Xuan Yuan Yuan Bao No.19 Private Securities Investment Fund, holds 0 share of the Company through an ordinary securities account, holds 63,756,084 shares of the Company through a credit securities account, and actually holds a total of 63,756,084 shares of the Company.		

Participation of shareholders holding more than 5% of shares, the top 10 shareholders and the top 10 shareholders not subject to sales restrictions in lending of shares through refinancing

☐ Applicable ☒ Not applicable

Changes in the top 10 shareholders and the top 10 shareholders not subject to sales restrictions from the previous

period due to lending/return of shares through refinancing

☐Applicable ☒Not applicable

Whether the Company's top 10 common shareholders and top 10 common shareholders not subject to sales restrictions engaged in the agreed repurchase transactions during the reporting period

☐Yes ☒No

The Company's top 10 shareholders of common shares and top 10 shareholders of common shares not subject to sales restrictions did not conduct agreed repurchase transactions during the reporting period.

#### **IV. Changes in shareholdings of directors, supervisors and senior management**

☐Applicable ☒Not applicable

There was no change in the shareholdings of the Company's directors, supervisors and senior executives during the reporting period. For details, see the annual report for the year ended December 31, 2024.

#### **V. Changes in controlling shareholders or actual controllers**

Changes in controlling shareholders during the reporting period

☐Applicable ☒Not applicable

During the reporting period, the controlling shareholder of the Company remained unchanged.

Changes in the actual controller during the reporting period

☐Applicable ☒Not applicable

The actual controller of the Company did not change during the reporting period.

#### **VI Preferred shares**

☐Applicable ☒Not applicable

During the reporting period, the Company had no preferred shares.

## Section VII Bond-related Information

☒Applicable ☐Not applicable

### I. Enterprise bonds

☐Applicable ☒Not applicable

During the reporting period, the Company did not have enterprise bonds.

### II. Corporate bonds

☐Applicable ☒Not applicable

During the reporting period, the Company did not have any corporate bonds.

### III. Debt financing instruments of non-financial enterprises

☐Applicable ☒Not applicable

During the reporting period, the Company had no non-financial corporate debt financing instruments.

### IV. Convertible corporate bonds

☒Applicable ☐Not applicable

#### 1. Issuance of convertible bonds

As approved by the China Securities Regulatory Commission regarding the Approval of the Public Offering of Convertible Bonds by Jiangsu Eastern Shenghong Co., Ltd. (ZJXK [2021] No.512), the Company publicly issued 50 million pieces of convertible bonds with the face value of RMB 100 per piece on March 22, 2021, with a total issue amount of RMB 5 billion and a term of 6 years. The convertible bonds have been listed for trading on the Shenzhen Stock Exchange since April 21, 2021, with an abbreviation "Shenghong Convertible Bond" and code "127030". The initial conversion price of "Shenghong Convertible Bond" is RMB 14.20 per share.

#### 2. Information on convertible bond guarantors and top 10 holders during the reporting period

Convertible corporate bonds	Shenghong Convertible Bond				
Number of persons holding convertible bonds as at June 30, 2025	7,218				
Guarantors of convertible bonds of the Company	None				
Significant changes in the profitability, asset position and credit standing of the guarantor	N/A				
Top 10 holders of convertible bonds:					
No.	Name of holder of convertible bonds	Nature of holder of convertible bonds	Quantity of convertible bonds held at the end of the reporting period	Amount of convertible bonds held at the end of the reporting period (RMB)	Proportion of convertible bonds held at the end of the reporting period
1	Jiangsu Shenghong Technology Co., Ltd.	Domestic non-state-owned legal person	26,226,008	2,622,600,800.00	52.48%
2	Shenghong (Suzhou) Group Co., Ltd.	Domestic non-state-	3,462,389	346,238,900.00	6.93%

		owned legal person			
3	China Merchants Bank Co., Ltd. - Bosera CSI Convertible Bond & Exchangeable Bond Index ETF	Others	2,197,844	219,784,400.00	4.40%
4	ICBC Ruixin Tianfeng Fixed Income Pension Product - Bank of China Limited	Others	1,141,260	114,126,000.00	2.28%
5	Zhong Baoshen	A domestic natural person	647,949	64,794,900.00	1.30%
6	Dajia Life Insurance Co., Ltd. - Traditional products	Others	530,206	53,020,600.00	1.06%
7	Industrial and Commercial Bank of China Limited - Zhong Ou Convertible Bond Securities Investment Fund	Others	502,297	50,229,700.00	1.01%
8	Shanghai Pudong Development Bank Co., Ltd. - Efunds Yuxiang Return Bond Securities Investment Fund	Others	403,820	40,382,000.00	0.81%
9	Efunds Stable Return Fixed Income Pension Product - Industrial and Commercial Bank of China Limited	Others	348,696	34,869,600.00	0.70%
10	Corporate pension plan of China National Petroleum Corporation - Industrial and Commercial Bank of China Limited	Others	323,631	32,363,100.00	0.65%

**3. Changes in convertible bonds during the reporting period**
☒Applicable ☐Not applicable

Monetary Unit: RMB

Convertible corporate bonds	Before this change	Increase or decrease			After this change
		Bond-to-share conversion	Callability	Putability	
Shenghong Convertible Bond	4,997,574,200.00	82,900.00	0.00	1,900.00	4,997,489,400.00

**4. Cumulative conversion status**

☑Applicable ☐Not applicable

Convertible corporate bonds	Start and end dates of bond-to-share conversion	Total number issued	Total amount of issue (RMB)	Cumulative amount of conversion (RMB)	Cumulative number of shares converted (shares)	Proportion of the number of shares to be converted to the total issued shares of the Company before the start date of bond-to-share conversion	Amount not yet converted into shares (RMB)	Proportion of the amount not converted to shares in the total amount of issue
Shenghong Convertible Bond	September 27, 2021 to March 21, 2027	50,000,000	5,000,000,000.00	2,508,700.00	181,673	0.00%	4,997,489,400.00	99.95%

**5. Previous adjustments and corrections to the conversion price**

Convertible corporate bonds	Conversion price adjustment date	Adjusted conversion price (RMB)	Date of disclosure	Description of conversion price adjustment	Latest conversion price as at June 30, 2025
Shenghong Convertible Bond	June 18, 2021	14.10	June 10, 2021	According to the resolution of the Company's 2020 annual general meeting, the Company would implement the 2020 annual dividend distribution plan in June 2021. After the implementation of this equity distribution, the conversion price of "Shenghong Convertible Bond" was adjusted from RMB14.20 per share to RMB14.10 per share, and the effective date of the conversion price adjustment was June 18, 2021.	13.21
	January 27, 2022	13.53	January 24, 2022	According to the Official Reply on Approving Jiangsu Eastern Shenghong Co., Ltd. to Issue Shares to Shenghong Petrochemical Group Co., Ltd. to Purchase Assets and Raise Supporting Funds (JZXX [2021] No. 4179) issued by the CSRC, the Company issued 1,111,528,326 shares of RMB common stock in a non-public offering manner to purchase assets in January 2022. After the listing of the new shares, the conversion price of "Shenghong Convertible Bonds" was adjusted from RMB 14.10/share to RMB 13.53/share, and the effective date of the adjustment of the conversion price was January 27, 2022	
	May 27, 2022	13.38	May 20, 2022	According to the resolution of the Company's 2021 annual general meeting, the Company implemented the 2021 annual dividend distribution plan in May 2022. After the equity allocation, the conversion price of "Shenghong Conversion Bond" was	

Convertible corporate bonds	Conversion price adjustment date	Adjusted conversion price (RMB)	Date of disclosure	Description of conversion price adjustment	Latest conversion price as at June 30, 2025
				adjusted from RMB13.53/share to RMB13.38 /share, and the effective date of the conversion price adjustment was May 27, 2022.	
	July 20, 2022	13.46	July 15, 2022	According to the Official Reply on Approving Jiangsu Eastern Shenghong Co., Ltd. to Issue Shares to Shenghong Petrochemical Group Co., Ltd. to Purchase Assets and Raise Supporting Funds (JZXX [2021] No. 4179) issued by the CSRC, the Company issued 266,714,109 shares of RMB common stock in a non-public offering manner to raise supporting funds in July 2022. After the listing of the new shares, the conversion price of "Shenghong Convertible Bond" was adjusted from RMB13.38/share to RMB13.46/share, and the effective date of the conversion price adjustment was July 20, 2022.	
	December 28, 2022	13.41	December 28, 2022	According to the Official Reply on Approving the Initial Public Offering of Global Depositary Receipts by Jiangsu Eastern Shenghong Co., Ltd. and Listing on the SIX Swiss Exchange (ZJXX [2022] No.3151) issued by the China Securities Regulatory Commission, in December 2022, the Company issued 39,794,000 GDRs, of which each GDR represents 10 A shares of the Company, and the total amount of new underlying securities represented by the GDRs issued is 397,940,000 A shares. After the listing of the new shares, the conversion price of "Shenghong Convertible Bond" was adjusted from RMB13.46/share to RMB13.41/share, and the effective date of the conversion price adjustment was December 28, 2022.	
	May 22, 2023	13.31	May 16, 2023	According to the resolution of the Company's 2022 annual general meeting, the Company implemented the 2022 annual dividend distribution plan in May 2023. After the equity allocation, the conversion price of "Shenghong Conversion Bond" was adjusted from RMB13.41/share to RMB13.31/share, and the effective date of the conversion price adjustment was May 22, 2023.	
	June 7, 2024	13.21	May 31, 2024	According to the resolution of the Company's 2023 annual general meeting, the Company would implement the 2023 annual dividend distribution plan in June 2024. After the implementation of the equity distribution, the conversion price of "Shenghong Convertible Bonds" was adjusted from RMB 13.31/share to RMB 13.21/share, and the effective date of the adjustment of the conversion price was June 7, 2024.	



**6. The Company's liabilities, changes in creditworthiness and cash arrangements for debt repayment in future years at the end of the reporting period**

See note "VI. As of the end of the reporting period, the Company's main accounting data and financial indicators for the past two years" in section VII for the Company's main financial indicators.

According to the 2025 Tracking Rating Report on the Public Offering of Convertible Corporate Bonds (LH [2025] No.4890) issued by the Company on June 25, 2025, China Lianhe Credit Rating Co., Ltd. determined that the long-term credit rating of the main body of the Company was AA+ while the credit rating of "Shenghong Convertible Bond" was AA+, with stable rating outlook.

**V. Losses in the scope of consolidated statements during the reporting period exceeded 10% of net assets at the end of the previous year**

☐Applicable ☒Not applicable

**VI. As of the end of the reporting period, the Company's main accounting data and financial indicators for the past two years**

Monetary unit: RMB '0,000

Item	As at June 30, 2025	As at December 31, 2024	YoY increase or decrease
Current Ratio	44.73%	40.09%	11.57%
Asset-liability ratio	82.20%	81.66%	0.54%
Quick ratio	24.26%	21.77%	11.44%
	Reporting period	Same period of last year	YoY increase or decrease
Net profits after deducting non-recurring profit or loss	27,172.39	10,207.13	166.21%
EBITDA all debt ratio	4.29%	4.19%	0.10%
Interest coverage multiple	1.0289	0.9333	10.24%
Cash interest coverage multiple	2.2169	1.8625	19.03%
EBITDA interest coverage multiple	2.5753	2.2725	13.32%
Loan repayment ratio	100.00%	100.00%	0.00%
Interest repayment ratio	100.00%	100.00%	0.00%

## Section VIII Financial Report

### I. Auditor's Report

Whether the semi-annual report is audited or not

☐ Yes ☒ No

The semi-annual financial report of the Company has not been audited.

### II. Financial Statements

Monetary unit of the financial statements in the notes: RMB yuan

#### 1. Consolidated Balance Sheet

Prepared by: Jiangsu Eastern Shenghong Co., Ltd.

June 30, 2025

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Current assets:		
Monetary funds	15,363,896,623.28	13,636,446,983.07
Balances with clearing companies		
Loans to banks and other financial institutions		
Financial assets held for trading	104,020,190.89	106,594,928.00
Derivative financial assets		
Notes receivable	11,837,780.15	97,777,618.59
Accounts receivable	3,752,973,588.63	2,327,702,449.86
Receivables financing	256,698,225.34	536,196,519.90
Advances to suppliers	1,574,345,408.42	525,281,644.21
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	1,051,368,654.95	1,009,344,676.64
Including: interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	20,814,705,010.81	16,873,219,225.01
Including: Data resource		
Contract assets		
Assets held for sale		
Non-current assets maturing within one year		

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Other current assets	2,542,940,105.34	1,813,789,331.40
Total current assets	45,472,785,587.81	36,926,353,376.68
Non-current assets:		
Loans and advances to customers		
Creditor's right investments		
Other creditor's right investments		
Long-term receivables		
Long-term equity investments	91,014,524.50	90,557,516.48
Other equity instrument investments	584,422,540.00	584,422,540.00
Other non-current financial assets		
Investment properties	606,418,190.10	625,773,856.85
Fixed assets	134,934,117,332.63	127,298,464,476.19
Construction in progress	18,282,172,014.36	25,026,824,465.78
Productive biological assets		
Oil and gas assets		
Right-of-use assets	3,032,500,998.59	3,083,272,607.18
Intangible assets	4,841,913,389.06	4,886,226,719.15
Including: data resources		
Development expenditures		
Including: Data resource		
Goodwill	736,561,153.10	736,561,153.10
Long-term deferred expenses	2,011,280.32	2,478,240.80
Deferred income tax assets	2,832,358,111.16	2,530,374,877.37
Other non-current assets	1,918,518,733.69	2,521,178,872.31
Total non-current assets	167,862,008,267.51	167,386,135,325.21
Total assets	213,334,793,855.32	204,312,488,701.89
Current liabilities:		
Short-term borrowings	58,133,556,277.57	52,682,163,867.62
Borrowings from central bank		
Loans from banks and other financial institutions		
Financial liabilities held for trading	21,737,146.20	0.00
Derivative financial liabilities		
Notes payable	85,305,815.32	0.00
Accounts payable	17,342,512,385.72	14,250,773,680.27
Advances from customers	24,234,328.44	32,388,603.72
Contract liabilities	2,209,167,566.01	2,484,508,305.51

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Funds from sales of financial assets under repurchase agreement		
Absorption of deposits and interbank deposits		
Receivings from vicariously traded securities		
Receivings from vicariously sold securities		
Employee compensation payable	306,070,521.16	485,515,353.28
Taxes and surcharges payable	567,946,410.66	978,933,334.67
Other payables	1,401,453,980.77	301,204,531.41
Including: interest payable		
Dividends payable	830,990.60	830,990.60
Handling charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	21,291,654,932.13	20,569,157,000.24
Other current liabilities	274,829,554.53	314,452,670.54
Total current liabilities	101,658,468,918.51	92,099,097,347.26
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings	59,347,262,286.12	60,988,432,664.33
Bonds payable	4,667,567,160.76	4,569,453,956.81
Including: preferred stock		
Perpetual bonds		
Lease liabilities	2,867,487,736.30	2,880,053,850.90
Long-term payables	3,825,973,211.94	3,373,670,655.65
Long-term employee compensation payable		
Estimated liabilities	7,194,735.20	7,194,735.20
Deferred income	2,402,101,379.34	2,400,104,976.66
Deferred income tax liabilities	571,582,964.82	507,991,628.99
Other non-current liabilities	11,845,937.98	14,345,006.56
Total non-current liabilities	73,701,015,412.46	74,741,247,475.10
Total liabilities	175,359,484,330.97	166,840,344,822.36
Owners' equity:		
Share capital	9,599,627,682.16	9,599,621,415.16

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Other equity instruments	906,721,941.03	906,737,326.76
Including: preferred stock		
Perpetual bonds		
Capital reserves	19,493,292,159.16	19,278,754,730.78
Less: treasury stock		
Other comprehensive income	41,167,246.62	89,166,875.13
Special reserves	43,556,412.08	86,108,201.09
Surplus reserves	629,926,949.95	629,926,949.95
General risk reserves		
Retained earnings	3,829,764,457.08	3,443,519,405.76
Total equity attributable to owners of the company	34,544,056,848.08	34,033,834,904.63
Minority equity	3,431,252,676.27	3,438,308,974.90
Total owners' equity	37,975,309,524.35	37,472,143,879.53
Total liabilities and owners' equity	213,334,793,855.32	204,312,488,701.89

Legal Representative: Miao Han'gen  
Department: Hu Guiyang

Accounting Principal: Yang Tianwei

Head of the Accounting

## 2. Parent Company Balance Sheet

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Current assets:		
Monetary funds	8,049,935,305.03	992,097,219.91
Financial assets held for trading		74,183,711.94
Derivative financial assets		
Notes receivable	500,000,000.00	500,000,000.00
Accounts receivable	671,707,348.12	120,167,065.54
Receivables financing		
Advances to suppliers	4,344,301.73	507,361.39
Other receivables	1,525,235,388.30	1,478,957,507.14
Including: interest receivable		
Dividends receivable		
Inventories	18,515,489.26	23,785,498.57
Including: Data resource		
Contract assets		
Assets held for sale		
Non-current assets maturing within one year		

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Other current assets	11,626,355.17	18,264,325.80
Total current assets	10,781,364,187.61	3,207,962,690.29
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	53,939,398,207.36	54,059,356,390.00
Other equity instrument investments	584,422,540.00	584,422,540.00
Other non-current financial assets		
Investment properties	4,190,938.48	4,275,006.03
Fixed assets	295,570,554.00	311,254,674.38
Construction in progress	7,031,663.21	1,297,063.78
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	63,901,514.62	66,016,065.28
Including: data resources		
Development expenditures		
Including: Data resource		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets	138,000.00	65,200.00
Total non-current assets	54,894,653,417.67	55,026,686,939.47
Total assets	65,676,017,605.28	58,234,649,629.76
Current liabilities:		
Short-term borrowings	3,232,311,540.88	2,691,348,412.88
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	600,000,000.00	200,000,000.00
Accounts payable	617,400,458.03	1,660,598,273.54
Customer advances	11,283,052.66	31,330,490.24
Contract liabilities	5,252,398,563.13	2,732,687,056.77
Salaries and employee benefits payable	11,628,827.82	20,634,431.72
Taxes payable	5,910,191.73	4,746,043.58
Other payables	7,459,183,130.03	3,592,415,461.07

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Including: interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	1,565,387,477.85	1,694,367,856.44
Other current liabilities	681,533,388.68	354,159,682.43
Total current liabilities	19,437,036,630.81	12,982,287,708.67
Non-current liabilities:		
Long-term borrowings	2,883,300,000.00	1,856,400,000.00
Bonds payable	4,667,567,160.76	4,569,453,956.81
Including: preferred stock		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee compensation payable		
Provisions		
Deferred income		
Deferred income tax liabilities	245,936,457.06	279,912,628.16
Other non-current liabilities	11,845,937.98	14,345,006.56
Total non-current liabilities	7,808,649,555.80	6,720,111,591.53
Total liabilities	27,245,686,186.61	19,702,399,300.20
Owners' equity:		
Share capital	6,611,227,974.00	6,611,221,707.00
Other equity instruments	906,721,941.03	906,737,326.76
Including: preferred stock		
Perpetual bonds		
Capital reserves	29,750,151,165.75	29,750,065,569.07
Less: treasury stock		
Other comprehensive income	68,941,905.00	68,941,905.00
Special reserves		
Surplus reserves	698,328,259.36	698,328,259.36
Retained earnings	394,960,173.53	496,955,562.37
Total owners' equity	38,430,331,418.67	38,532,250,329.56
Total liabilities and owners' equity	65,676,017,605.28	58,234,649,629.76

**3. Consolidated Income Statement**

Monetary Unit: RMB

Item	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
I. Revenue	60,916,418,734.57	72,833,561,598.67
Including: operating income	60,916,418,734.57	72,833,561,598.67
Interest income		
Premiums earned		
Income from handling charges and commissions		
II. Total operating costs	61,595,437,132.59	72,675,487,214.56
Including: operating costs	54,738,693,841.81	65,102,318,637.41
Interest expenses		
Expenses on handling charges and commissions		
Surrender value		
Net amount of compensation payout		
Net provisions for policy reserves		
Policy dividend expenditures		
Reinsurance costs		
Tax and surcharges	3,610,789,045.97	4,050,570,169.75
Selling and distribution expenses	150,971,524.91	152,836,805.01
Administrative expenses	479,889,847.97	473,999,875.43
Research and development expenses	329,015,932.61	472,476,489.53
Financial expenses	2,286,076,939.32	2,423,285,237.43
Including: interest expenses	2,330,154,324.38	2,467,947,309.60
Interest income	94,214,802.51	78,181,899.96
Plus: other income	1,066,978,311.94	258,232,684.90
Investment income ("-" for losses)	-1,688,443.62	122,088,869.07
Including: income from investment in associates and joint ventures	457,008.02	-3,571,499.26
Gains from derecognition of financial assets measured at amortized cost		
Gains from foreign exchange ("-" for losses)		
Gains from net exposure hedging ("-" for losses)		
Gains from changes in fair value ("-" for losses)	71,361,227.00	8,258,021.78
Losses from credit impairment ("-" for losses)	-7,071,882.70	-23,065,385.17



Item	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
" for losses)		
Losses from asset impairment ("-" for losses)	-218,627,947.50	-580,066,394.73
Gains from disposal of assets ("-" for losses)	-430,709.05	49,172,806.50
III. Operating profits ("-" for losses)	231,502,158.05	-7,305,013.54
Plus: non-operating income	23,135,032.67	28,538,183.49
Less: non-operating expenditures	11,751,736.70	2,515,621.99
IV. Total profits ("-" for total losses)	242,885,454.02	18,717,547.96
Less: income tax expens	-145,131,148.40	-285,247,329.83
V. Net profit ("-" for net loss)	388,016,602.42	303,964,877.79
(I) Classified by operating sustainability		
1. Net profit from continued operation ("-" for net loss)	388,016,602.42	303,964,877.79
2. Net profit from discontinued operation ("-" for net loss)		
(II) Classified by ownership		
1. Net profit attributable to shareholders of the company ("-" for net loss)	386,245,051.32	318,574,372.31
2. Profit attributable to non-controlling interests ("-" for net loss)	1,771,551.10	-14,609,494.52
VI. Other comprehensive income, net of tax	-47,999,628.51	-2,552,469.68
Other comprehensive income, net of tax, attributable to owners of the parent company	-47,999,628.51	-2,552,469.68
(I) Other comprehensive income that can not be reclassified into profit or loss		
1. Changes in re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of other equity instruments investment		
4. Changes in the fair value of the company's own credit risk		
5. Others		

Item	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
(II) Other comprehensive income that will be reclassified into profit or loss	-47,999,628.51	-2,552,469.68
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in fair value of other debt investment		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investment		
5. Cash flow hedging reserve	-42,395,422.64	
6. Differences arising from translation of foreign-currency financial statements	-5,604,205.87	-2,552,469.68
7. Others		
Other comprehensive income, net of tax, attributable to minority shareholders		
VII. Total comprehensive income	340,016,973.91	301,412,408.11
Total comprehensive income attributable to owners of the company	338,245,422.81	316,021,902.63
Total comprehensive income attributable to minority shareholders	1,771,551.10	-14,609,494.52
VIII. Earnings per share:		
(I) Basic earnings per share	0.06	0.05
(II) Diluted earnings per share	0.06	0.05

Legal Representative: Miao Han'gen    Accounting Principal: Yang Tianwei    Head of the Accounting Department: Hu Guiyang

#### 4. Parent Company Income Statement

Monetary Unit: RMB

Item	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
I. Operating income	430,588,473.95	3,615,592,166.60
Less: operating costs	232,278,100.65	3,428,790,747.01
Taxes and surcharges	11,431,760.58	12,546,213.27
Selling and distribution expenses	209,573.92	555,755.48
General and administrative expenses	40,586,680.65	54,803,830.59
Research and development expenses	0.00	0.00

Item	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Financial expenses	283,676,831.34	370,904,444.09
Including: interest expenses	309,682,861.93	389,562,719.57
Interest income	35,392,998.81	26,319,586.17
Plus: other income	204,108.82	256,597.25
Investment income ("-" for losses)	676,802.85	3,898,496.33
Including: income from investment in associates and joint ventures	41,817.36	150,462.21
Gains from derecognition of financial assets measured at amortized cost ("-" for losses)		
Gains from net exposure hedging ("-" for losses)		
Gains from changes in fair value ("-" for losses)	-701,169.30	11,857,048.90
Losses from credit impairment ("-" for losses)	801,452.57	601,278.49
Losses from asset impairment ("-" for losses)		
Gains from disposal of assets ("-" for losses)	24,970.85	-9,085.67
II. Operating profits ("-" for losses)	-136,588,307.40	-235,404,488.54
Plus: non-operating income	866,017.01	2,561,529.45
Less: non-operating expenditures	249,269.55	212,249.25
III. Total profits ("-" for total losses)	-135,971,559.94	-233,055,208.34
Less: income tax expenses	-33,976,171.10	-58,877,723.86
IV. Net profit ("-" for net loss)	-101,995,388.84	-174,177,484.48
(I) Net profit from continued operation ("-" for net loss)	-101,995,388.84	-174,177,484.48
(II) Net profit from discontinued operation ("-" for net loss)		
V. Other comprehensive income, net of tax		
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes in re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of other equity instruments investment		
4. Changes in the fair value of the		

Item	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
company's own credit risk		
5. Others		
(II) Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in fair value of other debt investment		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investment		
5. Cash flow hedging reserve		
6. Differences arising from translation of foreign-currency financial statements		
7. Others		
VI. Total comprehensive income	-101,995,388.84	-174,177,484.48
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated Statement of Cash Flows

Monetary Unit: RMB

Item	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	80,085,024,403.95	88,036,171,465.58
Net increase in deposits from customers and due from banks and other financial institutions		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Cash received from receiving insurance premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits and		

Item	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
investments from policyholders		
Cash received from interest, handling charges and commissions		
Net increase in loans from banks and other financial institutions		
Net capital increase in repurchase business		
Net cash from receivings from vicariously traded securities		
Refunds of tax and surcharges received	630,736,682.89	640,382,378.68
Cash received from other operating activities	4,454,603,259.73	6,381,414,836.28
Sub-total of cash inflows from operating activities	85,170,364,346.57	95,057,968,680.54
Cash paid for purchase of goods and receipt of services	70,429,336,746.12	79,100,357,916.78
Net increase in loans and advances to customers		
Net increase in deposits in central bank, other banks and financial institutions		
Cash paid for original insurance contract claims		
Net increase in loans to banks and other financial institutions		
Cash paid for interest, handling charges and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	2,235,665,681.30	2,274,719,057.32
Cash paid for tax and surcharges	4,865,642,510.17	5,286,396,390.26
Cash paid for other operating activities	4,828,523,484.72	6,376,067,410.62
Sub-total of cash outflows from operating activities	82,359,168,422.31	93,037,540,774.98
Net cash flows from operating activities	2,811,195,924.26	2,020,427,905.56
II. Cash flows from investing activities:		
Cash received from disinvestment	214,694,232.42	15,090,818.80
Cash received from investment income	72,344,853.12	21,192,214.60
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	193,260,314.55	36,396,035.37

Item	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities	100,222,139.84	291,642,946.49
Sub-total of cash inflows from investing activities	580,521,539.93	364,322,015.26
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	3,781,248,925.40	6,807,218,702.52
Cash paid for investments	249,579,009.77	130,345,664.03
Net increase in pledge loans		
Net cash paid to acquire subsidiaries and other business units		6,685,081.53
Cash paid for other investing activities	253,798,772.62	173,508,932.34
Sub-total of cash outflows from investing activities	4,284,626,707.79	7,117,758,380.42
Net cash flows from investing activities	-3,704,105,167.86	-6,753,436,365.16
III. Cash flows from financing activities:		
Cash received from investors	496,000,000.00	37,550,000.00
Including: cash received by subsidiaries from investments of minority shareholders	496,000,000.00	37,550,000.00
Cash received from borrowings	50,486,756,345.65	43,535,749,957.28
Cash received from other financing activities	3,033,282,186.12	3,325,920,146.40
Sub-total of cash inflows from financing activities	54,016,038,531.77	46,899,220,103.68
Cash paid for debt repayment	47,952,729,315.58	35,985,944,150.61
Cash paid for distribution of dividends and profits or payment of interest	2,567,691,592.32	3,102,275,619.91
Including: dividends and profits paid to minority shareholders by subsidiaries	291,280,000.00	
Cash paid for other financing activities	1,298,333,742.63	1,620,527,313.57
Sub-total of cash outflows from financing activities	51,818,754,650.53	40,708,747,084.09
Net cash flows from financing activities	2,197,283,881.24	6,190,473,019.59
IV. Effect of fluctuation in exchange rate on cash and cash equivalents	62,096,402.22	-186,400,064.63

Item	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
V. Net increase in cash and cash equivalents	1,366,471,039.86	1,271,064,495.36
Plus: beginning balance of cash and cash equivalents	12,009,784,562.13	6,386,357,048.67
VI. Ending balance of cash and cash equivalents	13,376,255,601.99	7,657,421,544.03

## 6. Parent Company Statement of Cash Flows

Monetary Unit: RMB

Item	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	12,516,950,506.63	12,897,524,989.62
Refund of tax and surcharges		
Cash received from other operating activities	8,212,654,073.91	5,592,697,116.07
Sub-total of cash inflows from operating activities	20,729,604,580.54	18,490,222,105.69
Cash paid for purchase of goods and receipt of services	9,965,052,071.14	10,049,501,410.76
Cash paid to and on behalf of employees	60,750,812.51	64,032,640.13
Cash paid for tax and surcharges	18,024,554.12	21,059,980.63
Cash paid for other operating activities	1,073,094,811.71	2,822,131,064.58
Sub-total of cash outflows from operating activities	11,116,922,249.48	12,956,725,096.10
Net cash flows from operating activities	9,612,682,331.06	5,533,497,009.59
II. Cash flows from investing activities:		
Cash received from disinvestment	121,772,675.01	1,044,979.00
Cash received from investment income	72,344,853.12	20,858,535.12
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	283,000.00	68,045.00
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
Sub-total of cash inflows from investing activities	194,400,528.13	21,971,559.12

Item	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	10,112,087.32	6,862,577.87
Cash paid for investments		
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
Sub-total of cash outflows from investing activities	10,112,087.32	6,862,577.87
Net cash flows from investing activities	184,288,440.81	15,108,981.25
III. Cash flows from financing activities:		
Cash received from investors		
Cash received from borrowings	3,813,006,666.64	1,977,100,000.00
Cash received from other financing activities	199,850,000.00	550,000,000.00
Sub-total of cash inflows from financing activities	4,012,856,666.64	2,527,100,000.00
Cash paid for debt repayment	2,995,201,904.96	3,203,150,000.00
Cash paid for distribution of dividends and profits or payment of interest	237,937,286.23	895,079,603.17
Cash paid for other financing activities	3,549,850,000.00	400,458,296.02
Sub-total of cash outflows from financing activities	6,782,989,191.19	4,498,687,899.19
Net cash flows from financing activities	-2,770,132,524.55	-1,971,587,899.19
IV. Effect of fluctuation in exchange rate on cash and cash equivalents	-162.20	126,678.90
V. Net increase in cash and cash equivalents	7,026,838,085.12	3,577,144,770.55
Plus: beginning balance of cash and cash equivalents	709,997,219.91	321,694,685.09
VI. Ending balance of cash and cash equivalents	7,736,835,305.03	3,898,839,455.64



## 7. Consolidated Statement of Changes in Owners' Equity

Reporting period

Monetary Unit: RMB

Item	Six Months Ended June 30, 2025														
	Equity attributable to owners of the company													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Others	Sub-total		
		Preferred stocks	Perpetual bonds	Others											
I. Balance as at June 30, 2024	9,599,621,415.16			906,737,326.76	19,278,754,730.78		89,166,875.13	86,108,201.09	629,926,949.95		3,443,519,405.76		34,033,834,904.63	3,438,308,974.90	37,472,143,879.53
Plus: changes in accounting policies															
Correction of accounting errors in prior periods															
Others															
II. Balance as at January 1, 2025	9,599,621,415.16			906,737,326.76	19,278,754,730.78		89,166,875.13	86,108,201.09	629,926,949.95		3,443,519,405.76		34,033,834,904.63	3,438,308,974.90	37,472,143,879.53
III. Increases/decreases in six months ended June 30, 2025 ("-" for decreases)	6,267.00			-15,385.73	214,537,428.38		-47,999,628.51	-42,551,789.01			386,245,051.32		510,221,943.45	-7,056,298.63	503,165,644.82
(I) Total comprehensive income							-47,999,628.51				386,245,051.32		338,245,422.81	1,771,551.10	340,016,973.91
(II) Capital contributed or reduced by owners	6,267.00			-15,385.73	214,537,428.38								214,528,309.65	281,548,168.30	496,076,477.95
1. Common stock contributed by owners					214,451,831.70								214,451,831.70	281,548,168.30	496,000,000.00
2. Capital invested by the holders of other equity instruments	6,267.00			-15,385.73	85,596.68								76,477.95		76,477.95
3. Amounts of share-based payments recognized in owners' equity															
4. Others															
(III) Profit distribution														-291,280,000.00	-291,280,000.00

Item	Six Months Ended June 30, 2025														
	Equity attributable to owners of the company													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Others	Sub-total		
		Preferred stocks	Perpetual bonds	Others											
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk reserves															
3. Profit distributed to owners (or shareholders)														-291,280,000.00	-291,280,000.00
4. Others															
(IV) Internal carry-forward of owners' equity															
1. Conversion of capital reserves into paid-in capital (or share capital)															
2. Conversion of surplus reserves into paid-in capital (or share capital)															
3. Surplus reserves offsetting losses															
4. Transfer from remeasurements of defined benefit plans to retained earnings															
5. Carry-forward of other comprehensive income for retained earnings															
6. Others															
(V) Special reserves								-42,551,789.01					-42,551,789.01	903,981.97	-41,647,807.04
1. Amount withdrawn in six months ended June 30, 2025								187,890,763.47					187,890,763.47	3,487,619.63	191,378,383.10
2. Amount used in six months ended June 30, 2025								230,442,552.48					230,442,552.48	2,583,637.66	233,026,190.14
(VI) Others															
IV. Balance as at June 30, 2025	9,599,627,682.16			906,721,941.03	19,493,292,159.16		41,167,246.62	43,556,412.08	629,926,949.95		3,829,764,457.08		34,544,056,848.08	3,431,252,676.27	37,975,309,524.35

Same period of last year

Monetary Unit: RMB

Item	Six Months Ended June 30, 2024														
	Equity attributable to owners of the company													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Others	Sub-total		
		Preferred stocks	Perpetual bonds	Others											
I. Balance as at June 30, 2023	9,599,613,386.16			906,756,613.34	17,742,094,557.74		75,609,098.36	95,610,435.57	609,412,557.95		6,421,996,498.50		35,451,093,147.62	41,087,923.36	35,492,181,070.98
Plus: changes in accounting policies															
Correction of accounting errors in prior periods															
Others															
II. Balance as at January 1, 2024	9,599,613,386.16			906,756,613.34	17,742,094,557.74		75,609,098.36	95,610,435.57	609,412,557.95		6,421,996,498.50		35,451,093,147.62	41,087,923.36	35,492,181,070.98
III. Increases/decreases in six months ended June 30, 2024 ("-" for decreases)	998.00			-2,413.09	-518,462.18		-2,552,469.68	-43,514,809.90			-342,547,072.69		-389,134,229.54	128,020,138.78	-261,114,090.76
(I) Total comprehensive income							-2,552,469.68				318,574,372.31		316,021,902.63	-14,609,494.52	301,412,408.11
(II) Capital contributed or reduced by owners	998.00			-2,413.09	13,129.96								11,714.87		11,714.87
1. Common stock contributed by owners															
2. Capital invested by the holders of other equity instruments	998.00			-2,413.09	13,129.96								11,714.87		11,714.87
3. Amounts of share-based payments recognized in owners' equity															
4. Others															
(III) Profit distribution											-661,121,445.00		-661,121,445.00		-661,121,445.00

Item	Six Months Ended June 30, 2024														
	Equity attributable to owners of the company													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Others	Sub-total		
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk reserves															
3. Profit distributed to owners (or shareholders)											-661,121,445.00		-661,121,445.00		-661,121,445.00
4. Others															
(IV) Internal carry-forward of owners' equity															
1. Conversion of capital reserves into paid-in capital (or share capital)															
2. Conversion of surplus reserves into paid-in capital (or share capital)															
3. Surplus reserves offsetting losses															
4. Transfer from remeasurements of defined benefit plans to retained earnings															
5. Carry-forward of other comprehensive income for retained earnings															
6. Others															
(V) Special reserves								-43,514,809.90					-43,514,809.90		-43,514,809.90
1. Amount withdrawn in six months ended June 30, 2024								161,539,146.73					161,539,146.73		161,539,146.73
2. Amount used in six months ended June 30, 2024								205,053,956.63					205,053,956.63		205,053,956.63
(VI) Others					-531,592.14								-531,592.14	142,629,633.30	142,098,041.16

Item	Six Months Ended June 30, 2024														
	Equity attributable to owners of the company													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Others	Sub-total		
IV. Balance as at June 30, 2024	9,599,614,384.16			906,754,200.25	17,741,576,095.56		73,056,628.68	52,095,625.67	609,412,557.95		6,079,449,425.81		35,061,958,918.08	169,108,062.14	35,231,066,980.22

## 8. Parent Company Statement of Changes in Equity

Reporting period

Monetary Unit: RMB

Item	Six Months Ended June 30, 2025											
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred stocks	Perpetual bonds	Others								
I. Balance as at June 30, 2024	6,611,221,707.00			906,737,326.76	29,750,065,569.07		68,941,905.00		698,328,259.36	496,955,562.37		38,532,250,329.56
Plus: changes in accounting policies												
Correction of accounting errors in prior periods												
Others												
II. Balance as at January 1, 2025	6,611,221,707.00			906,737,326.76	29,750,065,569.07		68,941,905.00		698,328,259.36	496,955,562.37		38,532,250,329.56
III. Increases/decreases in six months ended June 30, 2025 ("-" for decreases)	6,267.00			-15,385.73	85,596.68					-101,995,388.84		-101,918,910.89
(I) Total comprehensive income										-101,995,388.84		-101,995,388.84
(II) Capital contributed or	6,267.00			-15,385.73	85,596.68							76,477.95

Item	Six Months Ended June 30, 2025											
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred stocks	Perpetual bonds	Others								
reduced by owners												
1. Common stock contributed by owners												
2. Capital invested by the holders of other equity instruments	6,267.00			-15,385.73	85,596.68							76,477.95
3. Amounts of share-based payments recognized in owners' equity												
4. Others												
(III) Profit distribution												
1. Withdrawal of surplus reserves												
2. Profit distributed to owners (or shareholders)												
3. Others												
(IV) Internal carry-forward of owners' equity												
1. Conversion of capital reserves into paid-in capital (or share capital)												
2. Conversion of surplus reserves into paid-in capital (or share capital)												
3. Surplus reserves offsetting losses												

Item	Six Months Ended June 30, 2025											
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred stocks	Perpetual bonds	Others								
4. Transfer from remeasurements of defined benefit plans to retained earnings												
5. Carry-forward of other comprehensive income for retained earnings												
6. Others												
(V) Special reserves												
1. Amount withdrawn in six months ended June 30, 2025												
2. Amount used in six months ended June 30, 2025												
(VI) Others												
IV. Balance as at June 30, 2025	6,611,227,974.00	0.00	0.00	906,721,941.03	29,750,151,165.75	0.00	68,941,905.00	0.00	698,328,259.36	394,960,173.53	0.00	38,430,331,418.67

Same period of last year

Monetary Unit: RMB

Item	Six Months Ended June 30, 2024											
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred stocks	Perpetual bonds	Others								
I. Balance as at June 30, 2023	6,611,213,678.00			906,756,613.34	29,749,958,232.81		67,198,620.00		698,328,259.36	1,795,470,625.46		39,828,926,028.97

Item	Six Months Ended June 30, 2024											
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred stocks	Perpetual bonds	Others								
Plus: changes in accounting policies												
Correction of accounting errors in prior periods												
Others												
II. Balance as at January 1, 2024	6,611,213,678.00			906,756,613.34	29,749,958,232.81		67,198,620.00		698,328,259.36	1,795,470,625.46		39,828,926,028.97
III. Increases/decreases in six months ended June 30, 2024 ("-" for decreases)	998.00			-2,413.09	13,129.96					-835,298,929.48		-835,287,214.61
(I) Total comprehensive income										-174,177,484.48		-174,177,484.48
(II) Capital contributed or reduced by owners	998.00			-2,413.09	13,129.96							11,714.87
1. Common stock contributed by owners												
2. Capital invested by the holders of other equity instruments	998.00			-2,413.09	13,129.96							11,714.87
3. Amounts of share-based payments recognized in owners' equity												
4. Others												
(III) Profit distribution										-661,121,445.00		-661,121,445.00



Item	Six Months Ended June 30, 2024											
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred stocks	Perpetual bonds	Others								
1. Withdrawal of surplus reserves												
2. Profit distributed to owners (or shareholders)										-661,121,445.00		-661,121,445.00
3. Others												
(IV) Internal carry-forward of owners' equity												
1. Conversion of capital reserves into paid-in capital (or share capital)												
2. Conversion of surplus reserves into paid-in capital (or share capital)												
3. Surplus reserves offsetting losses												
4. Transfer from remeasurements of defined benefit plans to retained earnings												
5. Carry-forward of other comprehensive income for retained earnings												
6. Others												
(V) Special reserves												
1. Amount withdrawn in six months ended June												

Item	Six Months Ended June 30, 2024											
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred stocks	Perpetual bonds	Others								
30, 2024												
2. Amount used in six months ended June 30, 2024												
(VI) Others												
IV. Balance as at June 30, 2024	6,611,214,676.00			906,754,200.25	29,749,971,362.77		67,198,620.00		698,328,259.36	960,171,695.98		38,993,638,814.36

### III. Company Overview

Jiangsu Eastern Shenghong Co., Ltd. (the "Company"), formerly known as Jiangsu Wujiang China Oriental Silk Market Co., Ltd., is a joint stock limited company established by Jiangsu Wujiang Silk Group Co., Ltd., Jiangsu Silk Group Co., Ltd., China Silk Corporation, China National Garments Group Corp. and Suzhou Foreign Development Corporation with the approval of SZF [1998] No.71 issued by Jiangsu Provincial People's Government. The Company's unified social credit code is 91320500704043818X.

With the approval of ZJFXZ [2000] No.35 issued by China Securities Regulatory Commission, the Company issued 105 million shares of RMB common stock to the public in April 2000, which was listed on the Shenzhen Stock Exchange on May 29, 2000 for transaction. In August 2018, the Company completed the acquisition of 100% equities of Jiangsu Guowang High-tech Fiber Co., Ltd. ("Guowang Hi-tech") held by Jiangsu Shenghong Technology Co., Ltd. ("Shenghong Tech") and CDB Development Fund Ltd. ("CDB Fund") by way of non-public share offering. Upon completion of this transaction, the controlling shareholder and actual controller of the Company changed, and this transaction constituted a reorganization for listing. Upon completion of the reorganization, the name of the Company was changed to Jiangsu Eastern Shenghong Co., Ltd. and abbreviated as "Eastern Shenghong" in the exchange. The Company currently operates in the manufacturing of chemical raw materials and chemical products.

As at June 30, 2025, the Company had a total share capital of 6,611,227,974 shares and a registered capital of RMB 6,611,227,974, with the registered office at No.289, Dengzhou Road, Shengze Town, Wujiang District, Suzhou City, Jiangsu Province and headquarter address at No.289, Dengzhou Road, Shengze Town, Wujiang District, Suzhou City, Jiangsu Province.

The Company's business scope: general items: new materials technology R&D; new materials technology promotion services; emerging energy technology R&D; bio-based materials technology R&D; bio-chemical products technology R&D; resource recycling technology R&D; electronic special materials R&D; technology services, technology development, technology consulting, technology exchange, technology transfer and technology promotion; engineering and technology research and experimental development; bio-based materials manufacturing; electronic special materials manufacturing; high-performance fiber and composite materials manufacturing; synthetic fiber manufacturing; thermal power production and supply; sales of bio-based materials, petroleum products (excluding dangerous chemicals) and chemical products (excluding licensed chemical products); wholesale of refined oil products (excluding dangerous chemicals); sales of special chemical products (excluding dangerous chemicals), new membrane materials, synthetic materials, eco-environmental materials, electronic special materials, high-performance fibers and composite materials, synthetic fibers, coal and products; investment activities with its own funds; business management consulting; non-residential real estate leasing; property management (except for items subject to approval by law, business activities shall be operated independently with business license).

Limited to branches: power generation business, power transmission business and power supply (distribution) business.

Jiangsu Shenghong Technology Co., Ltd. is the parent company of the Company, and Miao Hangen and Zhu Hongmei are actual controllers of the same.

The financial statements were approved by the Board of Directors of the Company for disclosure on August 29, 2025.

### IV. Basis for preparation of the financial statements

#### 1. Basis of preparation

The Company prepares financial statements in accordance with the *Accounting Standards for Business Enterprises - Basic Standards* and all the specific accounting standards, Application Guidance to the Accounting Standards for Business Enterprises, the interpretation of the Accounting Standards for Business Enterprises and other relevant provisions (hereinafter referred to as the "Accounting Standards for Business Enterprises" or "ASBE"), as well as the *Rules for the Compilation and Submission of Information Disclosure by Companies Offering Securities to the Public No. 15 - General Requirements for Financial Reports* issued by the China Securities Regulatory Commission.

**2. Going concern**

The financial statements are prepared based on going concern.

**V. Significant accounting policies and accounting estimates****1. Statement on compliance with the Accounting Standards for Business Enterprises**

The financial statements meet the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely reflect the consolidated and the company's financial position, operating results, cash flows and other relevant information.

**2. Accounting period**

The financial statements meet the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely reflect the consolidated and the company's financial position of the Company as at June 30, 2025, and the consolidated and the company's operating results and cash flows for the six months then ended.

**3. Operating cycle**

The Company's operating cycle is 12 months.

**4. Functional currency**

The Company adopts RMB as its functional currency. Subsidiaries of the Company determine their functional currency based on the main economic environment in the place where they operate, while Shenghong Petrochemical (Singapore) International Co., Ltd. and Shenghong Shipping (Singapore) International Co., Ltd. adopt USD as the functional currency. The financial statements herein are presented in RMB.

**5. Accounting treatment methods for business combinations under common control and not under common control**

Business combination under common control: Assets and liabilities obtained through business combination by the combining party (including the goodwill arising from the acquisition of the combinee by the ultimate controller) are measured at the book values of the combinee's assets and liabilities in the consolidated financial statements of the ultimate controller on the combination date. The stock premium in capital reserves is adjusted according to the difference between the book value of net assets acquired through combination and the book value of consideration paid for the combination (or total par value of shares issued). If the stock premium in capital reserves is insufficient to cover the difference, the remaining amount will be charged against retained earnings.

Business combination not under common control: The combination cost refers to the fair value of the assets paid, liabilities incurred or assumed and equity securities issued by the acquirer on the acquisition date for the purpose of acquiring the control over the acquiree. The Company recognizes the difference of the combination costs in excess of the fair value of the identifiable net assets acquired from the acquiree as goodwill. The Company includes the difference of the combination costs in short of the fair value of the identifiable net assets acquired from the acquiree in the current profit or loss. Various identifiable assets, identifiable liabilities and contingent liabilities which are obtained from the combinee in the course of business combination and eligible for recognition are measured at fair value on the acquisition date.

Expenses incurred directly relating to the business combination are included in the current profit or loss; transaction expenses incurred in issuing equity or debt securities for business combination are included in the initial recognition amount of those equity or debt securities.

**6. Judgment criteria for control and preparation method for consolidated financial statements**

Judgment criteria for control

The scope of consolidation for the consolidated financial statements of the Company is determined based on control, including the Company and all its subsidiaries. Control means the Company has the power over the investee and enjoys the variable return through participating in activities related to the investee, and has the ability to affect the Company's return by using the power over the investee.

Procedures for consolidation

The Company prepares the consolidated financial statements according to the uniform accounting policies by taking the enterprise group as a whole accounting entity, to reflect the overall financial position, operating results and cash flows of the enterprise group. Impacts of the internal transaction between the Company and its subsidiary or among subsidiaries of the Company should be offset. If any internal transaction indicates that relevant assets have been impaired, the impairment loss should be recognized in full. If the accounting policy or accounting period of a subsidiary is different from that of the Company, the consolidated financial statements of the subsidiary, upon preparation, will be adjusted according to the accounting policy and accounting period of the Company.

The share of owners' equity, current net profit or loss and current comprehensive income of subsidiaries attributable to minority owners are respectively and separately presented under the owner's equity in the consolidated balance sheet, the net profit in the consolidated income statement, and the total comprehensive income in the consolidated income statement. If the current loss shared by a minority shareholder of a subsidiary exceeds the balances arising from the shares enjoyed by the minority shareholder in the owners' equity of the subsidiary at the beginning of the period, minority equity will be written down accordingly.

#### (1) Increase of subsidiaries or business

During the reporting period, if the Company acquired subsidiaries or business from the business combination under common control, the operating results and cash flows for the period from the beginning of the period for such business combination to the end of the reporting period will be included in the consolidated financial statements. Meanwhile, the beginning amounts in the consolidated financial statements and relevant items in the comparative financial statements will be adjusted accordingly, as if the reporting entity after the business combination has been existing since the time-point when the ultimate controller has the control.

If the control can be exercised over the investee under the common control as a result of additional investment and other reasons, equity investments held before obtaining the control over the combinee, relevant gains or losses and other comprehensive income recognized from the later of the date when the original equity is obtained or the date when the combining party and the combinee are under the same control to the combination date and other changes in net assets will respectively be used to offset the retained earnings at the beginning of period for the comprehensive financial statements or the current profit or loss.

During the reporting period, subsidiaries or business acquired from the business combination not under common control are included in the consolidated financial statements from the acquisition date based on the fair value of various identifiable assets, identifiable liabilities or contingent liabilities determined on the acquisition date.

If the control can be exercised over the investee not under common control as a result of additional investments and other reasons, the equity of the acquiree held before the acquisition date will be remeasured at the fair value of such equity on the acquisition date, and the difference between the fair value and book value of such equity will be included in the current investment income. Other comprehensive income that will be reclassified into profit or loss and other changes in owners' equity calculated by the equity method where the equity of the acquiree held before the acquisition date involves with are transferred into the investment income for the period where the acquisition date belongs.

#### (2) Disposal of subsidiaries

##### ① General treatment methods

When the Company losses the control over the investee due to disposal of partial equity investment or other reasons, the remaining equity investment after the disposal should be remeasured by the Company at the fair value thereof on the date of losing the control. The difference between the sum of the equity disposal consideration and the fair value of the remaining equity and the sum of the share calculated at the original shareholding ratio in net assets enjoyed in the original subsidiary and continuously calculated from the acquisition date or combination date and the goodwill will be included in the investment income for the period where the control is lost. Other comprehensive income that will be reclassified into profit or loss and other change in owners' equity calculated by the equity method, associated with the equity investments of original subsidiaries should be transferred into the investment income for the period where the control is lost.

##### ② Disposal of subsidiaries by stages

If the control is lost due to disposal of the equities in subsidiaries through multiple transactions by stages, and the terms, conditions and economic impact of the transactions of disposing equity investment in the subsidiaries meet

one or more of the following circumstances, it usually indicates that multiple transactions belong to a package deal:

- i. These transactions are concluded at the same time or under the consideration of mutual effect;
- ii. These transactions as a whole can reach a complete business result;
- iii. The occurrence of a transaction depends on that of other transaction or more; and/or
- iv. A single transaction is uneconomical but it is economical when considered together with other transactions.

Where the multiple transactions belong to a package deal, the accounting treatment should be made by taking them as the transaction where any subsidiary has been disposed and the corresponding control has been lost; before the loss of control, the difference between each disposal price and the share in net assets which should be enjoyed in such subsidiary on account of such investment disposal should be recognized as other comprehensive income in the consolidated financial statements, and at the loss of control, transferred into the profit or loss for the period where the control is lost.

Where multiple transactions do not belong to a package deal, before the loss of control, accounting treatment should be made via the partial disposal of equity investments in the subsidiary without losing control; at the loss of control, accounting treatment will be made by the general treatment method for the disposal of subsidiaries.

### (3) Purchase of minority interest of subsidiaries

The share premium in the capital reserves under the consolidated balance sheet will be adjusted at the difference between the long-term equity investment acquired by the Company for the purchase of minority interest and the share calculated at the newly increased shareholding ratio in the net assets the subsidiary continuously calculates from the acquisition date or combination date. If the share premium is insufficient to offset, retained earnings will be adjusted.

### (4) Partial disposal of equity investments in subsidiaries without losing control

The share premium of capital reserves in the consolidated balance sheet will be adjusted based on difference between the disposal price and the share which should be enjoyed for the disposal of long-term equity investments in the net assets the subsidiary continuously calculates from the acquisition date or the combination date; if the share premium is insufficient to offset, retained earnings will be adjusted.

## **7. Classification of joint venture arrangements and accounting treatment methods of joint operation**

Joint venture arrangements are classified into joint operation and joint venture.

Joint operation refers to the joint venture arrangement under which the joint venturer enjoys the assets relevant to such arrangement and assumes the liabilities relevant to the same.

The Company recognizes the following items related to its share of benefits in the joint operation:

- (1) Assets it solely holds and its share of jointly-held assets based on its percentage;
- (2) Liabilities it solely assumes and its share of jointly-assumed liabilities based on its percentage;
- (3) Revenues from sale of output enjoyed by it from the joint operation;
- (4) Revenues from sale of output from the joint operation based on its percentage; and
- (5) Separate costs and costs for the joint operation based on its percentage.

The Company accounts for investments in joint ventures by the equity method, see "Note V.14 Long-term equity investments" for details.

## **8. Recognition criteria of cash and cash equivalents**

Cash refers the Company's cash on hand and the unrestricted deposits. Cash equivalents refer to short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## 9. Foreign currency transactions and translation of foreign currency statements

### Foreign currency transaction

Foreign currency transactions are translated into RMB for recording purpose at the spot exchange rate prevailing on the transaction date.

The balance of foreign currency items on the balance sheet date are measured at the spot exchange rate on the balance sheet date. The exchange difference arising therefrom is included in the current profit or loss, while other exchange difference arising from the special borrowings of foreign currency related to the acquired and constructed assets qualified to capitalization is dealt with according to the principle of borrowing capitalization.

### Translation of foreign currency financial statements

Assets and liabilities in the balance sheet are translated at the spot exchange rate prevailing on balance sheet date; owners' equity items, except for the item of "retained earnings", are translated at the spot exchange rate prevailing on the transaction date. The revenue or any cost item in the income statement is translated at the spot exchange rate prevailing on the transaction date (or other exchange rate which is similar to the spot exchange rate prevailing on the transaction date and determined by the systematic and reasonable method. Note: Where such method is adopted, such method and relevant standard should be specified).

When the Company disposes of an overseas business, the translation differences in foreign currency statements related to such overseas business should be transferred to the current profit or loss from the owners' equity.

## 10. Financial instruments

When the Company becomes a party to a contract for financial instrument, a financial asset, financial liability or equity instrument should be recognized.

### Classification of financial instruments

According to the business model of financial assets and contractual cash flow characteristics of the same, which are subject to management of the Company, financial assets are classified at the initial recognition as: financial assets measured at the amortized cost, financial assets measured at fair value through other comprehensive income and financial assets at fair value through profit or loss (FVTPL)

The Company classifies the financial assets that meet the following conditions at the same time but have not been designated to be measured at fair value through profit or loss as the financial assets measured at amortized cost:

- The business model is adopted for the purpose of obtaining the contractual cash flow;
- The contractual cash flow is only used for interest payment based on the principal or unpaid principal.

The Company classifies the financial assets that meet the following conditions at the same time and have not been designated to be measured at fair value through the current profit or loss as the financial assets (debt instruments) measured at fair value through other comprehensive income:

- The business model is adopted for the purpose of obtaining the contractual cash flow and selling such financial assets;
- The contractual cash flow is only used for interest payment based on the principal or unpaid principal.

At the initial recognition, the Company irrevocably designates the non-trading equity instrument investments as financial assets (equity instruments) measured at fair value through other comprehensive income. The designation is made based on a single investment and the relevant investment is in line with the definition of the equity instrument from the issuer's perspective.

Except for the financial assets measured at amortized cost and the financial assets measured at fair value through other comprehensive income, the Company classifies other financial assets as the financial assets at fair value through profit or loss. At the initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company may irrevocably designate the financial assets that should have been classified as the financial assets measured at amortized cost or those measured at fair value through other comprehensive income as the financial assets at fair value through profit or loss.

At the initial recognition, financial liabilities are classified as: financial liabilities measured at fair value through the current profit or loss and financial liabilities measured at the amortized cost.

At the initial recognition, financial liabilities meeting one of the following conditions may be designated as the financial liabilities measured at fair value through the current profit or loss:

- (1) This designation can eliminate or significantly reduce the accounting mismatch.
- (2) According to the enterprise risk management or investment strategies specified in formal written documents, the management and performance evaluation of financial liability portfolios or portfolios of financial assets and financial liabilities is carried out based on fair value, and the report to key officer in the enterprise is made based on such management and performance evaluation.
- (3) The financial liabilities contain the embedded derivative which needs to be separated.

#### Recognition basis and measurement method of financial instruments

##### (1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, and creditor's right investment are initially measured at fair value, and relevant transaction costs are included in the initially recognized amount; accounts receivable without significant financing component and accounts receivable with the financing component not exceeding one year and not considered by the Company are initially measured at the contract transaction price.

During the holding period, the interest calculated by the effective interest method is included in the current profit or loss.

At recovery or disposal, the difference between the purchase price obtained and the book value of such financial assets is included in the current profit or loss.

##### (2) Financial assets (debt instruments) measured at fair value through the other comprehensive income

Financial assets (debt instruments) measured at fair value through other comprehensive income include receivables financing and other creditor's right investment, of which initial measurement is made at fair value, and relevant transaction costs are included in the initially recognized amount. The interest, impairment losses or gains and exchange gains or losses calculated by the effective interest method will be included in the current profit or loss, and other gains or losses will be included in other comprehensive income.

At derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to the current profit or loss.

##### (3) Financial assets (equity instruments) measured at fair value through other comprehensive income

Financial assets (equity instruments) measured at fair value through other comprehensive income, including the investment in other equity instruments, are initially measured at fair value, and relevant transaction costs are included in the initially recognized amount. The subsequent measurement of such financial assets is made at fair value, and the changes in fair value are included in other comprehensive income. Dividends obtained are included in the current profit or loss.

At derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to the retained earnings.

##### (4) financial assets at fair value through profit or loss

financial assets at fair value through profit or loss include trading financial assets, derivative financial assets and other non-current financial assets, of which initial measurement is made at fair value, and relevant transaction costs are included in the current profit or loss. The subsequent measurement of such financial assets is made at fair value, and changes in fair value are included in the current profit or loss.

##### (5) Financial liabilities measured at fair value through the current profit or loss

Financial liabilities measured at fair value through the current profit or loss include the financial liabilities held for trading and derivative financial liabilities, of which initial measurement is made at fair value, and relevant



transaction costs are included in the current profit or loss. The subsequent measurement of such financial liabilities is made at fair value, and changes in fair value are included in the current profit or loss.

At derecognition, the difference between the book value and the consideration paid of such financial liabilities is included in the current profit or loss.

#### (6) Financial liabilities measured at amortized cost

Financial liabilities measured at the amortized cost include short-term borrowings, notes payable and accounts payable, other payables, long-term borrowings, bonds payable and long-term payables, of which initial measurement is made at fair value, and related transaction costs are included in the initially recognized amount.

During the holding period, the interest calculated by the effective interest method is included in the current profit or loss.

At derecognition, the difference between the consideration paid and the book value of such financial liabilities is included in the current profit or loss.

#### Recognition basis and measurement method for the derecognition and transfer of financial assets

Where one of the following conditions is met, the Company should derecognize financial assets:

- The contractual right of collecting cash flows of financial assets is terminated;
- The financial assets have been transferred, and nearly all of the risks and rewards related to the ownership of the financial assets have been transferred to the transferee;
- The financial assets have been transferred, and the Company does not retain the control over the financial assets, though it has neither transferred nor retained nearly all risks and rewards related to the ownership of the financial assets.

Where the Company and its counterparty revise a contract or make a new contract, constituting the material contract modification, the original financial assets should be derecognized, and the new financial assets should be recognized according to the modified contract terms.

At the transfer of financial assets, where nearly all of the risks and rewards related to the ownership of the financial assets have been retained, such financial assets should not be derecognized.

In determining whether the transfer of a financial asset meets the above derecognition criteria of financial assets, the principle of substance over form will be adopted.

The Company divides the transfer of financial assets into overall transfer and partial transfer. Where the entire transfer of financial assets meets the derecognition criteria, the difference of the following two amounts is included in the current profit or loss:

- (1) The book value of the transferred financial asset;
- (2) The sum of consideration received from the transfer and the accumulated change amount of the fair value originally and directly included in owners' equity (the financial assets involved in the transfer are financial assets (debt instruments) measured at fair value through other comprehensive income).

Where the partial transfer of a financial asset meets the derecognition criteria, the entire book value of the financial asset transferred should be allocated between the derecognized part and the recognized part based on the relative fair value, and the difference between the following two amounts should be included in the current profit or loss:

- (1) Book value of the derecognized part;
- (2) The sum of the consideration for the derecognized part and the amount corresponding to the derecognition part in the accumulated change amount of fair value originally and directly included in owners' equity (where the financial assets transferred are the financial assets (debt instruments) measured at fair value through other comprehensive income).

Where the transfer of financial assets does not meet the derecognition criteria, the financial assets should continue to be recognized, and the consideration received should be recognized as a financial liability.

## Derecognition of financial liabilities

Where the present obligations of financial liabilities have been discharged in whole or in part, the financial liabilities or any part thereof should be derecognized; if the Company signs an agreement with creditors to replace the existing financial liabilities by undertaking new financial liabilities, and the new financial liabilities are substantially different from the existing ones in terms of contract terms, the existing financial liabilities should be derecognized, and at the same time, the new financial liabilities should be recognized.

Where substantive changes are made to the contract terms of existing financial liabilities in whole or in part, the existing financial liabilities should be derecognized in whole or in part, and the financial liabilities of which terms have been modified should be recognized as the new financial liabilities.

Where financial liabilities are derecognized in whole or in part, the difference between the book value of the financial liabilities derecognized and the consideration paid (including non-cash assets surrendered and the new financial liabilities assumed) should be included in the current profit or loss.

Where the Company repurchases part of its financial liabilities, it should, on the repurchase date, allocate the entire book value of whole financial liabilities based on the comparative fair value of the part that continues to be recognized and the derecognized part. The difference between the book value allocated to the derecognized part and the considerations paid (including non-cash assets surrendered and the new financial liabilities assumed) should be included in the current profit or loss.

## Method of determining fair values of financial assets and financial liabilities

Where there is an active market for any financial instrument, the fair value of such financial instrument should be determined at the price quoted in the active market. The fair value of a financial instrument, for which there is no active market, is determined by using valuation techniques. At the time of valuation, the Company adopts the valuation techniques that are applicable in the current situation and supported by enough available data and other information, selects the input values that are consistent with the asset or liability characteristics considered by market participants in relevant asset or liability transactions, and gives priority to use relevant observable inputs. And the unobservable input values can be used only when the observable input values are unable or impractical to be obtained.

## Test method and accounting treatment for the impairment of financial instruments

### (1) Measurement and accounting treatment for the impairment of financial assets

The Company carries out the accounting treatment for the impairment of financial assets measured at amortized cost, financial assets (debt instruments) measured at fair value through other comprehensive income and financial guarantee contract based on the expected credit loss.

By considering such reasonable and well-founded information as relevant matters in the past, current conditions and prediction of future economic conditions, the Company calculates the probability weighted amount, weighted by default risk, of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, to determine the expected credit loss.

For receivables and contract assets arising from the transactions specified in the *Accounting Standards for Business Enterprises No. 14 - Revenue*, whether or not they contain significant financing components, the Company always makes the provision for credit loss at the amount equivalent to the lifetime expected credit loss.

For the lease receivables arising from the transactions specified in the *Accounting Standards for Business Enterprises No. 21 - Leases*, the Company always makes the provision for credit loss at the amount equivalent to the lifetime expected credit loss.

As for other financial instruments, the Company, on each balance sheet date, assesses the changes in credit risks of relevant financial instruments after the initial recognition.

By comparing the default risk in financial instruments on the balance sheet date with the default risk in financial instruments on the initial recognition date, the Company determines the relative change in default risk in financial instruments during the estimated duration to assess whether the credit risk of financial instruments has greatly increased following the initial recognition of such financial instruments. Generally, once the period is overdue for over 30 days, the Company may consider that there is obvious increase in credit risk of such financial instrument,

unless there is unambiguous evidence that there is no obvious increase in credit risk of such financial instrument following the initial recognition.

If the credit risk of the financial instrument is low on the balance sheet date, the Company will immediately consider that there is no obvious increase in credit risk of such financial instrument following the initial recognition.

If there is obvious increase in credit risk following the initial recognition of such financial instrument, the Company will measure the loss provision at the amount which is equivalent to the amount of the lifetime expected credit loss of such financial instrument; if there is no obvious increase in credit risk following the initial recognition of such financial instrument, the Company will measure the loss provision at the amount which is equivalent to the amount of the future 12-month expected credit loss of such financial instrument. Amount increased or reversed of loss provision arising therefrom will be included in the current profit or loss as impairment loss or gain. For financial assets (debt instruments) measured at fair value through other comprehensive income, the Company recognizes the provisions for credit losses in other comprehensive income, and includes the impairment losses or gains in the current profit or loss, without deducting the book values of such financial assets presented in the balance sheet.

If the Company no longer reasonably expects that the contractual cash flow of the financial asset can be fully or partially recovered; instead, the book balance of the financial asset will be directly written down.

(2) Receivables with the measurement of expected credit loss made by portfolio (excluding accounts receivable)

Item	Basis for portfolio determination	Measurement method of expected credit loss
Credit risk characteristic portfolio	Aging portfolio	Based on the historical experience in credit loss and in light of the current situation and the prediction of future economic position, the expected credit loss is calculated based on the default risk exposure and the 12-month or lifetime expected credit loss ratio.
Related-party portfolio	Related party	
Portfolio of receivables from the government	Non-operating receivables and tax rebate receivable of governmental agencies during the credit period	

(3) Accounts receivable with the measurement of expected credit loss made by portfolio

① Portfolio and measurement method for expected credit loss

Item	Basis for portfolio determination	Measurement method of expected credit loss
Credit risk characteristic portfolio of accounts receivable	Aging portfolio	Based on the historical experience in credit loss and in light of the current situation and the prediction of future economic position, the expected credit loss is calculated based on the default risk exposure and the lifetime expected credit loss ratio.
Portfolio of related parties of accounts receivable	Related party	
Portfolio of high credit rating	Accounts receivable from central enterprise customers during the credit period	
Portfolio of trade payments of overseas companies	Nature	

② Accounts receivable -- Comparison table for the credit risk characteristic portfolio aging and the lifetime expected credit loss ratio

Credit risk characteristics (Aging)	Expected credit loss ratio of accounts receivable (%)
-------------------------------------	---

Within 1 year (including 1 year)	5.00
1 - 2 years (including 2 years)	20.00
2 - 3 years (including 3 years)	50.00
Over 3 years	100.00

## 11. Inventories

### Classification and cost of inventories

Inventories are classified into materials in transit, raw materials, finished goods, goods in process, goods in transit and consigned processing materials.

Inventories are initially measured at cost, and the inventory cost includes the purchase cost, processing cost and other expenditures arising from making the inventory at their present location and condition.

### Valuation methods for inventories dispatched

The inventories are measured by the weighted average method when dispatched.

### Inventory system

Perpetual inventory system is adopted.

### Amortization methods for low-cost consumables and packaging materials

(1) One-off write-off method is adopted for low-cost consumables;

(2) One-off write-off method is adopted for packaging materials.

### Recognition criteria for and method for provision for inventory depreciation

On the balance sheet date, inventories should be measured at the cost or the net realizable value, whichever is lower. Where the inventory cost is higher than its realizable value, the provision for inventory depreciation should be made. During routine activities, net realizable values of inventories refer to the amounts of the estimated selling prices of inventories minus the estimated costs to completion, estimated selling expenses and relevant taxes and surcharges.

In the normal production and operation process, for merchandise inventories for direct sale, including finished goods, finished goods and materials for sale, their net realizable values are recognized at the estimated selling prices minus the estimated selling expenses and the relevant taxes and surcharges; for material inventories required to be processed, their net realizable values are recognized at the estimated selling prices of finished goods minus estimated costs until completion, estimated selling expenses and relevant taxes and surcharges. For inventories held to under any sales contract or service contract, their net realizable values are calculated based on the contract price. If the quantity of inventories held by the Company is more than that ordered in sales contract, the net realizable value of the excess inventories will be calculated based on general selling price.

When the provision for inventory depreciation is made, where the previous factor rendering the write-down of the inventory value has been eliminated, for which the net realizable value of the inventory is higher than the book value of the same, the provision for inventory depreciation should be reversed from the amount of provision for inventory depreciation originally made, and the reversed amount should be included in the current profit or loss.

## 12. Contract assets

### Recognition method and criteria for contract assets

According to the relationship between the performance of obligations and the customer payment, the Company presents contract assets or contract liabilities in the balance sheet. The right of the Company to the charge of consideration via goods transfer or service rendering to the customer (and the right depends on other factors except for the time lapses) is presented as contract asset. Contract assets and contract liabilities under the same contract should be presented at net amount. The unconditional (only depending on the time lapses) right to the charge of consideration from the customer, possessed by the Company, is presented as receivables.

### Determination method and accounting treatment for the expected credit loss of contract assets

See Note "V.10 Financial instruments - Test method and accounting treatment for the impairment of financial instruments", for the determination method and accounting treatment for the expected credit loss of contract assets.

### 13. Assets held for sale and discontinued operation

#### Assets held for sale

Where the Company recovers the book value of any non-current asset or disposed asset portfolio mainly through selling (including the exchange of non-monetary assets with commercial essence) but not continuously using the same, such non-current asset or disposed asset portfolio shall be divided into assets held for sale.

The Company recognizes non-current assets or disposed asset portfolios meeting the following conditions at the same time as assets held for sale:

- (1) According to the general practice for selling such kind of asset or disposed asset portfolio in the similar transaction, the asset or portfolio can be immediately sold in the prevailing circumstance;
- (2) The sale of the asset or portfolio is very likely to happen, which means that the Company has made a resolution for one selling plan and has acquired the decided purchase commitment, and it is estimated that the sale will be completed within one year. Where the sale is subject to the approval of relevant authorities or regulatory authorities of the Company according to relevant provisions, the approval has been obtained.

For any non-current asset (excluding financial assets, deferred income tax assets and the assets arising from employee compensation) or disposed asset portfolio classified as assets held for sale, where its book value is higher than the net amount of its fair value less the selling expense, the book value shall be written down to the net amount of the fair value less the selling expense, and the amount written down shall be recognized as the losses from asset impairment and included in the current profit or loss, while the provision for impairment of assets held for sale is made.

#### Discontinued operation

Discontinued operation refers to the component which meets one of the following conditions and can be separately distinguished, moreover such component has been disposed or classified as held for sale by the Company:

- (1) The component represents an independent major business or a sole major business area;
- (2) The component is a part of a related plan where an independent major business or a sole major business area will be disposed as planned; and
- (3) The component is a subsidiary acquired only for re-sale.

Profit or loss from continued operation and profit or loss from discontinued operation are presented respectively in the income statement. Loss from discontinued operation, reversed amount and other profit or loss from operation as well as the profit or loss from disposal are presented as the profit or loss from discontinued operation. For the discontinued operation presented in the current period, the information originally presented as the profit or loss from continued operation will be presented as profit or loss from discontinued operation once more in the comparable accounting period in the current financial statements.

### 14. Long-term equity investments

#### Judgment criteria for common control and significant influence

Common control refers to the control shared over an arrangement in accordance with the relevant stipulations, and the decision-making of related activities of the arrangement should not be made before the party sharing the control right agrees the same. Where the Company exercises common control over the investee together with other parties to the joint venture, and enjoys the right on the investee's net assets, the investee should be a joint venture of the Company.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of the investee, but not the power to control or jointly control the formulation of such policies with other parties. Where the Company is able to exert significant influence on an investee, the investee should be the Company's associate.

#### Determination of initial investment cost

### (1) Long-term equity investments acquired through business combination

The initial investment cost of the long-term equity investments in subsidiaries generating from the business combination under common control is determined at the share of book value of the combinee's owners' equity on the consolidated financial statements of the ultimate controller. The difference between the initial investment cost of long-term equity investments and the book value of consideration paid is used to adjust the share premium in capital reserves; and if the share premium in capital reserve is insufficient to be offset, retained earnings will be adjusted. If the Control can be exercised over the investee under common control as a result of additional investment and other reasons, the difference between the initial investment cost of long-term equity investments and the sum of the book value of long-term equity investments before the combination and the book value of consideration paid for further obtaining shares on the combination date, recognized in the above-mentioned principle, will be used to adjust the share premium. If the share premium is insufficient to be offset, retained earnings will be offset accordingly.

The initial investment cost of long-term equity investments in subsidiaries generating from the business combination not under common control is recognized at the combination cost determined on the acquisition date. If the control can be exercised over the investee not under the common control as a result of additional investment and other reasons, the sum of the book value of the equity investment previously held and the newly increased investment costs will be recognized as the initial investment cost.

### (2) Long-term equity investments acquired by means other than business combination

For the long-term equity investment acquired from cash payment, the initial investment cost is the actually paid purchasing cost.

For the long-term equity investment acquired from issuing equity securities, the initial investment cost is the fair value of the issued equity securities.

### Subsequent measurement and recognition of profits or losses

#### (1) Long-term equity investment accounted for under the cost method

Long-term equity investments of the Company in its subsidiaries are accounted for by the cost method, unless these investments conform to the conditions for assets held for sale. Except for the actual price paid for acquisition of investment or the cash dividends or profits contained in the consideration which have been declared but not yet distributed, the Company recognizes the current investment income based on the cash dividends or profits enjoyed by the Company and declared to be distributed by the investee.

#### (2) Long-term equity investment accounted for under the equity method

Long-term equity investments of the Company in associates and joint ventures are accounted for by the equity method. If the initial investment cost is in excess of the share of fair value of the net identifiable assets in the investee when the investment is made, the difference will not be adjusted to the initial cost of long-term equity investment; if the initial investment cost is in short of the share of the fair value of the net identifiable assets in the investee when the investment is made, the difference will be included in the current profit or loss, and will be adjusted to the initial cost of long-term equity investment.

The Company should, based on its attributable share of the net profit or loss and other comprehensive income realized by the investee, respectively recognize the investment income and other comprehensive income, and simultaneously adjust the book value of the long-term equity investment. The Company should, in the light of the profits or cash dividends that the investee declares to distribute, reduce the book value of the long-term equity investment correspondingly. As to other changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution (hereinafter referred to as "Other Changes in Owners' Equity"), the Company should adjust the book value of the long-term equity investment and include such change in the owners' equity.

The Company should, based on the fair value of net identifiable assets of the investee when the investment is made, recognize its attributable share of the net profits or losses, other comprehensive income and other changes in owners' equity of the investee after the adjustment made to the net profit and other comprehensive income of the investee according to the accounting policies and accounting period adopted by the Company.

The Company calculates its attributable but not realized profit or loss from internal transactions between the Company and its associates or joint ventures based on its attributable percentage and offset such profit or loss, and

recognizes the investment income on that basis; however, businesses formed by assets invested or sold are excluded. Unrealized losses from internal transactions between the Company and any investee should be recognized in full if they belong to the losses from asset impairment.

For net losses on joint ventures or associates, apart from the obligation of assuming the extra loss, the Company should write down such losses with the book value of long-term equity investments and the long-term equity where net investments in joint ventures or associates have been formed substantially; and the maximum of such losses should be the sum of the book value and long-term equity mentioned above. Where any joint venture or associate realize net profit in the future, the Company should recognize the income sharing amount when the unrecognized loss sharing amount is offset with the income sharing amount.

### (3) Disposal of long-term equity investments

For the disposal of long-term equity investments, the difference between the book value and the actual price thereof are included in the current profit or loss.

For long-term equity investments with partial disposal accounting by the equity method, where the remaining equity is still accounted for by the equity method, other comprehensive income recognized originally upon the accounting by the equity method should be carried forward at the corresponding proportion on the basis same with that for the direct disposal of relevant assets or liabilities by the investee, and other changes in owners' equity should be carried forward to the current profit or loss in proportion.

Where the Company loses the common control over or significant influence on the investee on account of the disposal of equity investment and any other reason, when the accounting by the equity method is terminated, other comprehensive income recognized upon the accounting by the equity method from the original equity investment should be subject to the accounting treatment which is made on the basis same with that for the direct disposal of relevant assets or liabilities by the investee, and other changes in owners' equity should be transferred to the current profit or loss in full.

Where the Company loses the control over the investee on account of the disposal of partial equity and any other reason, at the preparation of any single financial statements, if the remaining equity has the common control over or significant influence on the investee, the accounting shall be made by the equity method, and an adjustment shall be made as if the remaining equity was accounted for by the equity method at acquisition; other comprehensive income recognized before the control over the investee is obtained shall be carried forward on the basis same with that for the direct disposal of relevant assets or liabilities by the investee, and other changes in owners' equity recognized on account of the accounting by the equity method shall be carried forward to the current profit or loss in proportion; if the remaining equity has no common control over or significant influence on the investee, relevant financial assets shall be recognized, the difference between the fair value on the day of losing control of such remaining equity and the book value of the same shall be included in the current profit or loss, and other comprehensive income and other changes in owners' equity which have been recognized before the control over the investee is obtained shall be carried forward in full.

Where the disposal of subsidiaries' equity investments till the loss of control by stages through multiple transactions belongs to a package deal, the accounting treatment should be made by taking each transaction as the transaction where the subsidiaries' equity investments are disposed and the corresponding control is lost; before the loss of control, the difference between the disposal price and the book value of the long-term equity investment corresponding to the equity disposed should be firstly recognized as other comprehensive income in the individual financial statements, and at the loss of control, all transferred to the profit or loss for the period when the control is lost. Where the aforesaid disposal does not belong to a package deal, the accounting treatment should be made respectively for each transaction.

## 15. Investment properties

Investment properties refer to the properties held for earning rent or for capital appreciation, or for both, including rented land use right, land use right held for transfer after the capital appreciation, rented buildings (including self-built or developed buildings for renting, and building in the process of construction or development for renting in the future).

Subsequent expenditures related to investment properties are included in the costs of investment properties when relevant economic benefits are likely to flow in the Company and their costs can be measured reliably; otherwise, such subsequent expenditures shall be included in the current profit or loss when occur.

The Company measures its existing investment property by using the cost model. For investment property measured by using the cost model, the buildings for lease shall be depreciated by using policies the same as used for fixed assets of the Company, and the land use rights for lease shall be amortized by using the same policies as applicable to intangible assets.

Category	Depreciation/ Amortization period (Year)	Net residual rate (%)	Annual depreciation / amortization rate (%)
Buildings and constructions	10~50	4~5	1.90~9.60
Land use right	31~50	0	2.00~3.23

## 16. Fixed assets

### Recognition and initial measurement of fixed assets

Fixed assets refer to tangible assets held for commodity production, rendering of services, renting or business management, with the useful lives over one year. Fixed assets are recognized when they simultaneously meet the following conditions:

- (1) It is probable that the economic benefits relating to the fixed assets will flow into the Company; and
- (2) The costs of the fixed assets can be measured reliably.

The initial measurement of fixed assets is made at cost (and by taking the impact of expected disposal costs).

The subsequent expenditures relating to fixed assets are included in the costs of fixed assets when relevant economic benefits are likely to flow in the Company and their costs can be measured reliably; as for the part replaced, the book value thereof is derecognized; all other subsequent expenditures are included in the current profit or loss when they occur.

### Depreciation method

Fixed assets are depreciated on a component basis using the straight-line method. The depreciation rate is determined based on the category, estimated useful life and estimated net residual value rate of fixed assets. For fixed assets where the provision for impairment has been made, the depreciation amount in the future will be determined at the book value of the fixed assets where the provision for impairment has been deducted, based on the remaining useful life. Where the fixed assets have the components with different useful lives or bring economic benefits for the enterprise in different ways, then the Company should choose different depreciation rates or methods to separately make the provision for depreciation.

The depreciation methods, depreciation life, residual value rates and annual depreciation rates of fixed assets are presented by category as follows:

Category	Depreciation method	Depreciation life (Year)	Residual value rate (%)	Annual depreciation rate (%)
Buildings and constructions	Straight-line method	20~50	3~5	1.90~4.85
Machinery equipment	Straight-line method	3~ 20	3~5	4.75~32.33
Transportation equipment	Straight-line method	5~14	3~5	6.79~19.40
Office equipment and other equipment	Straight-line method	2~20	0,3~5,65	4.75~50.00

### Disposal of fixed assets

When fixed assets are disposed of or are expected to fail to bring economic benefits through the use or disposal thereof, the fixed assets will be derecognized. The difference between the revenue from the sales, transfer,



scrapping or damage of fixed assets and the sum of the book value of the fixed assets and relevant taxes and surcharges should be included in the current profit or loss.

## **17 Construction in progress**

The construction in progress is measured at the actually incurred cost. The actual cost includes the construction cost, installation cost, borrowing cost eligible for capitalization and other necessary expenditure incurred before making the construction in progress reach the working condition for intended use. When the construction in progress reaches the working condition for intended use, it will be transferred to fixed assets, and the provision for depreciation of the construction in progress will be made in the next month.

## **18. Borrowing costs**

Recognition criteria of capitalization of borrowing costs

The borrowing costs incurred in the Company and directly attributable to the acquisition and construction or production of assets eligible for capitalization should be capitalized and included in relevant asset costs; other borrowing costs should be recognized as cost based on the amount incurred and be included in the current profit or loss.

Assets eligible for capitalization refer to fixed assets, investment properties, inventories and other assets which may reach the working condition for their intended use or sale only after long-time acquisition and construction or production activities.

Capitalization period for borrowing costs

The capitalization period refers to the period from the time-point when borrowing costs are capitalized to the time-point when the capitalization is ceased, except the period when the capitalization of borrowing costs is suspended.

Borrowing costs are capitalized when they simultaneously meet the following conditions:

- (1) Asset disbursements, including those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization, have already been incurred;
- (2) Borrowing costs have already been incurred; and
- (3) The acquisition and construction or production activities which are necessary for the assets to reach the working condition for their intended use or sale have been in progress.

Capitalization of borrowing costs should be ceased when the acquired and constructed or produced assets eligible for capitalization have reached the working condition for their intended use or sale.

Period of capitalization suspension

If the acquisition, construction or production activities of assets eligible for capitalization are abnormally interrupted and such interruption lasts for more than three months, the capitalization of borrowing costs should be suspended; if the interruption is necessary for the acquired, constructed or produced assets eligible for capitalization to reach the working condition for their intended use or sale, the borrowing costs will continue to be capitalized. Borrowing costs incurred during the interruption are recognized as the current profit or loss until the acquisition, construction or production of the assets restarts; thereafter, the capitalization of borrowing costs should go on.

Measurement method of capitalization rate and capitalized amounts of borrowing costs

As for special borrowings for acquiring, constructing or producing assets eligible for capitalization, borrowing costs actually incurred during the period for special borrowings less the interest income from the unused borrowings deposited in the bank or investment income from temporary investment with the unused borrowings should be recognized as the capitalization amount of borrowing costs.

As for general borrowings used for acquiring and constructing or producing assets eligible for capitalization, the amount of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings by the capitalization

rate for the used general borrowings. The capitalization rate is determined based on the weighted and average effective interest rate for general borrowings.

During the period for capitalization, the balance of exchange from the principal and interest of the special borrowings in foreign currency should be capitalized, and included in the cost of assets eligible for capitalization. The balance of exchange from the principal and interest of other borrowings in foreign currency than the special borrowings in foreign currency should be included in the current profit or loss.

## 19. Intangible assets

Measurement methods of intangible assets

(1) The Company initially measures intangible assets at cost on acquisition

The costs of externally purchased intangible assets include purchase prices, relevant taxes and surcharges and other expenditures incurred to make the assets reach the working condition for their intended use.

(2) Subsequent measurement

The useful lives of the intangible assets are analyzed and determined on acquisition.

For intangible assets with definite useful lives, the Company makes the amortization thereof within the period during which they can bring economic benefits to the Company; if such period cannot be forecast, those intangible assets will be taken as intangible assets with indefinite useful lives and not be amortized.

Estimate of useful lives for intangible assets with definite useful lives

Item	Estimated useful life (Year)	Basis
Land use right, and sea area servitude	36~50	Period specified in the certificate
Software	2~10	Period of benefit
Patent use right	20	Period of benefit
Others	10	Period of benefit

Determination basis of intangible assets with indefinite useful lives and procedures for reviewing the useful life thereof

The emission rights and coal replacement volume indicators obtained by the Company have no definite permitted period of use and will be used for operation on an ongoing basis, and the period where they will bring future economic benefits to the Company cannot be reliably estimated. Therefore, the Company recognizes the emission rights and coal replacement volume indicators without definite permitted period of use as intangible assets with indefinite useful lives.

The useful lives of intangible assets with indefinite useful lives are reviewed at the end of each period.

Upon review, the useful lives of such intangible assets are still indefinite.

Collection range of research and development expenditures

(1) Personnel labor expenses

Personnel and manpower expenses include the wages and salaries of R&D personnel, and their basic endowment insurance premiums, basic medical insurance premiums, unemployment insurance premiums, work-related injury insurance premiums, maternity insurance premiums and housing provident funds, as well as charges for services rendered by R&D personnel hired externally.

Where R&D personnel serve several R&D projects, the labor expenses should be confirmed based on the labor-hour records of R&D personnel for relevant R&D projects provided by the management department of the Company, and should be allocated in proportion for different R&D projects.

Where the internal R&D personnel and the R&D personnel hired externally carry out the non- R&D activities, the actual labor expenses should be confirmed based on the labor-hour records of R&D personnel in different

positions and allocated between the research and development expenses and the production and operating expenses in proportion of actual working hours.

## (2) Direct investment expenses

Direct investment expenses refer to relevant expenses arising from the research and development activities carried out by the Company, including: 1) expenses on materials, fuels and power directly consumed; 2) expenses on the pilot experiment and the development and manufacturing of molds and technological equipment for the trial production of products; expenses on the purchase of samples, model machines and general testing instruments, not constituting fixed assets; expenses on the inspection of trial products; 3) expenses on the maintenance, adjustment, examination, testing and repair of instruments and equipment used for research and development activities.

## (3) Depreciation expenses and long-term deferred expenses

Depreciation expenses refer to those on instruments, equipment and in-use buildings used for research and development activities.

Where the instruments, equipment and in-use buildings used for research and development activities are also used for non-research and development activities, the usage of these instruments, equipment and in-use buildings must be recorded, and the actual depreciation expenses arising from such usage should be allocated to the research and development expenses and the production and operation expenses by the reasonable method based on the actual work hour and usable area.

Long-term deferred expenses refer to the long-term deferred expenses incurred in the course of reconstruction, modification, decoration and repair of R&D facilities, and they are collected based on the actual expenses and evenly amortized by stages during the prescribed period.

## (4) Expenses on amortization of intangible assets

Expenses on amortization of intangible assets refer to the expenses on the amortization of software, intellectual property, non-patented technologies (know-how, license, design and calculation methods) used for research and development activities.

## (5) Design expenses

Design expenses refer to the expenses on the conception, development and manufacturing of new products and new technologies, standardization of working procedures, formulation of procedures, and design of operating characteristics, including relevant expenses on the creative design made for the purpose of making innovative, creative and breakthrough products.

## (6) Equipment commissioning and testing expenses

Equipment commissioning expenses refer the expenses arising from the research and development activities carried out in the course of the preparation for installation, including the expenses on the development of special and dedicated production machines, change of the production and quality control procedures, or the formation of new methods and standards.

Expenses on the regular installation preparations and industrial projects carried out for the large-scale mass and commercial production are not included in the range of collection.

Testing expenses include the clinical trial fees for new drug development, field trial fees for exploration and development technology, and field trial fees.

## (7) Expenses on outsourcing research and development

Expenses on outsourcing research and development refer to the expenses on the research and development activities carried out by other external institution or individual upon the Company's entrustment (Results of such research and development activities shall be possessed by the Company and closely related to the primary business of the Company).

## (8) Other expenses

Other expenses refer to those directly relevant to research and development activities, other than expenses mentioned above, including technical books and materials fees, data translation fees, expert consulting fees, high-tech research and development insurance fees, expenses on the retrieval, demonstration, review, appraisal,

acceptance of research and development results, intellectual property application fees, registration fees, agency fees, conference expenses, travel expenses and communication expenses.

Specific criteria for classifying research and development phases

The Company's internal research and development expenditures include those incurred in the research phase and those in the development phase.

Research phase: Research phase is the stage when creative and planned investigation and research activities are conducted to acquire and understand new scientific or technological knowledge.

Development phase: Development phase is the stage when the research achievements and other knowledge are applied to a plan or design, prior to the commercial production or use, so as to produce any new or substantially improved material, device or product.

Criteria for capitalization of development expenditures

The research expenditure is included in the current profit or loss when it occurs. The development expenditure is recognized as intangible assets when it meets the following conditions at the same time, and is included in the current profit or loss when it fails to meet the following conditions:

- (1) It is technically feasible to finish intangible assets for use or sale;
- (2) It is intended to finish and use or sell the intangible assets;
- (3) The ways how the intangible assets generate economic benefits include the way where it is able to prove that the products made by using the intangible assets exist a market or that the intangible assets themselves have the market, and the way where the serviceability of the intangible assets can be proved in case they are used internally;
- (4) It is able to finish the development of the intangible assets and to use or sell the same with the support of sufficient technologies, financial resources and other resources; and
- (5) The expenditure attributable to the intangible assets during its development phase can be measured reliably.

If the research expenditure and development expenditure are indistinguishable, all research and development expenditures incurred will be included in the current profit or loss.

## **20. Impairment of long-term assets**

Where there are signs of impairment on long-term assets, such as long-term equity investments, investment properties measured with cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with definite useful lives, and oil and gas assets on the balance sheet date, the impairment test should be made. Where the result of the impairment test shows that the recoverable amount of the asset is lower than book value, the provision for impairment should be made and included in impairment loss. The recoverable amount of the asset is the higher of the net amount of its fair value less disposal expenses or the present value of its estimated future cash flows. Provision for asset impairment is made on individual asset basis. If it is difficult to estimate the recoverable amount of the individual asset, the Company will estimate the recoverable amount of the asset portfolio where the individual asset belongs. Asset group is the smallest one that can independently generate cash inflows.

Goodwill from business combination, intangible assets with indefinite useful lives and intangible assets that have not reached the usable condition should be subject to the impairment test at least once at the end of each year, no matter whether they have any impairment indication.

The Company has conducted an impairment test of goodwill. The book value of goodwill arising from business combination is amortized to related asset groups by the reasonable method as of the purchase date; if it is difficult to do so, such value will be amortized to the relevant portfolio of asset groups. Relevant asset group or portfolio of asset groups refers to the asset group or portfolio of asset groups which is able to benefit from the synergistic effect of business combination.

At the time of making an impairment test on the relevant asset groups or portfolios of asset groups containing goodwill, if any indication shows that the goodwill-related asset group or portfolio of asset groups may have been impaired, the Company will firstly conduct an impairment test on the asset groups or portfolios of asset groups not containing goodwill, calculate the recoverable amount and compare it with the relevant book value, to recognize

the corresponding impairment loss. Thereafter, the Company pay make the impairment test on the asset group or portfolio of asset groups where the goodwill is included, and compare the book value of such group or portfolio with the recoverable amount of the same. If the recoverable amount is less than the book value, the amount of impairment loss should firstly be used to reduce the book value of the goodwill allotted to such group or portfolio, and then reduce book values of other assets than the goodwill in such group or portfolio based on proportions of these book values. Losses from the aforesaid asset impairment should not be reversed in subsequent accounting periods once recognized.

## **21. Long-term deferred expenses**

Long-term deferred expenses refer to various expenses which have been already incurred but will be borne in current and future reporting periods with an amortization period of over one year.

## **22. Contract liabilities**

According to the relationship between the performance of obligations and the customer payment, the Company presents contract assets or contract liabilities in the balance sheet. The Company's obligations in transferring goods or rendering services to customers on the ground that it has received or will receive relevant considerations from these customers are presented as contract liabilities. Contract assets and contract liabilities under the same contract should be presented at net amount.

## **23. Employee compensation**

Accounting treatment of short-term compensation

During the accounting period where employees serve the Company, the short-term compensation actually incurred is recognized as a liability and included in the current profit or loss or the assets-related cost.

The social insurance premiums and the housing provident fund paid by the Company for its employees, together with the labor union expenditures and employee education fund drew as required are used to calculate and determine the relevant employee compensation amount based on the prescribed accrual basis and accrual proportion during the accounting period in which the employees provide services to the Company.

The employee welfare expenses incurred in the Company are included in the current profit or loss or assets-related cost based on the actually incurred amount, in which the non-monetary benefits are measured at fair value.

Accounting treatment of post-employment benefits

### **(1) Defined contribution plan**

The Company pays the basic endowment insurance premiums and unemployment insurance premiums for employees according to relevant provisions of the local government. During the accounting period when employees serve the Company, the paid amount which is calculated based on the payment base and proportion as stipulated in the aforesaid provisions in the local place is recognized as liabilities and included in the current profit or loss or assets-related cost. In addition, the Company has also participated in the corporation pension plan / supplement endowment insurance fund approved by relevant departments of the state. The Company pays to the corporation pension plan / local social insurance agencies at a certain proportion of the total amount of employee wages, with the corresponding expenditures included in the current profit or loss or assets-related cost.

### **(2) Defined benefit plan**

According to the formula determined based on expected cumulative unit method, the Company will set the period in which employees render services deriving from the defined benefit plan, which will be included in the current profit or loss or assets-related cost.

A net liability or net asset in connection with the defined benefit plan is recognized at the present value of the obligation under the defined benefit plan less the deficit or surplus arising out of the fair value of the assets under the defined benefit plan. For a surplus of defined benefit plans, the Company should measure the net asset of such defined benefit plans at the lower of the surplus of such defined benefit plans and asset upper limit thereof.

Obligations under the defined benefit plan, including the payment obligation that is expected to be done within 12 months following the annual reporting period when the employees serve for the Company, are discounted at the market yield of the national debt matching with the obligatory term of the defined benefit plan and the currency on the balance sheet date or the bonds of the high-quality companies in the active market.

The service costs of the defined benefit plan and net interest on the net liabilities or net assets in respect of the defined benefit plan are included in the current profit or loss or assets-related costs; changes in the re-measurement of net liabilities or net assets under the defined benefit plans should be included in other comprehensive income and should not be reversed in subsequent accounting periods. When the original defined benefit plan terminates, the portion originally included in other comprehensive income will all be transferred to the retained earnings.

When the defined benefit plan is settled, the settlement gain or loss will be recognized at the balance between the present value of the obligations of the defined benefit plan determined on the settlement date and the settlement price.

#### Accounting treatment of dismissal benefits

Where the Company provides the dismissal benefit to its employees, the employee compensation liability arising from the dismissal benefit shall be recognized on the following date, whichever is earlier, and included in the current profit or loss: when the Company fails to unilaterally withdraw the dismissal benefit offered due to the termination of the labor relation plan or layoff proposal; when the Company confirms the costs or fees associated with the reorganization involving the payment of the dismissal benefits.

## 24. Estimated liabilities

When an obligation relating to a contingency meets all the following conditions at the same time, it will be recognized as an estimated liability by the Company:

- (1) Such obligation is a present obligation of the Company;
- (2) The performance of such obligation is likely to result in outflow of economic benefits from the Company; and
- (3) The amount of the obligation can be measured reliably.

Estimated liabilities are initially measured at the best estimate of expenditures required for the performance of relevant present obligations.

The Company, when determining the best estimate, has had a comprehensive consideration of risks with respect to contingencies, uncertainties and the time value of money. If the time value of money is significant, the best estimates will be determined after the discount of relevant future cash outflows.

If there is continuous range for the necessary expenditures, and probabilities of occurrence of all the outcomes within this range are equal, the best estimate will be determined at the intermediate value; in other cases, the best estimate is subject to the treatment for the following circumstances:

- If contingencies are involved with single project, the estimate will be determined based on the amount which is most likely to occur.
- If contingencies are involved with several projects, the estimate will be determined based on various possible results and relevant probabilities.

If all or part of the expenditures necessary for liquidating estimated liabilities are expected to be compensated by a third party, the compensation will be separately recognized as assets when it is virtually certain that the compensation will be received. The compensation recognized should not exceed the book value of estimated liabilities.

The Company reviews the book value of estimated liabilities on the balance sheet date. If there is unambiguous evidence indicating that such book value cannot reflect the current best estimate, such book value will be adjusted based on the current best estimate.

## 25. Share-based payment

The Company's share-based payment refers to the transaction where it grants the equity instrument or assumes the liability determined based on the equity instrument for the purpose of acquiring services rendered by employees or other parties. The Company's share-based payment is divided into the equity-settled share-based payment and the cash-settled share-based payment.

#### Equity-settled share-based payment and equity instrument

Where the Company acquires services rendered by employees via the equity-settled share-based payment, such payment should be calculated at the fair value of equity instruments granted to employees. The Company includes the share-based payment for which relevant right can be exercised subsequent to the grant of equity instruments in relevant costs or expenses on the grant date at the fair value of equity instruments, and increases capital reserves accordingly. For the share-based payment for which relevant right can be exercised after the grant of equity instruments only when the services during the waiting period are completed or the specified performance conditions are met, on each balance sheet date within the waiting period, the Company, based on the best estimate of the quantity of equity instruments where relevant rights can be exercised, includes the services acquired during that period in relevant costs or expenses at the fair value on the grant date, and increases capital reserves accordingly.

In case any clause on the equity-settled share-based payment has been modified, services acquired should be recognized as if such clause has not been modified. In addition, the increase in services acquired should be recognized in case of any increase to the fair value of equity instruments granted or any change favorable to employees on the date of increasing such fair value.

During the waiting period, if any equity instrument granted is canceled, the Company will accelerate the right exercise relevant to the equity instrument canceled, immediately include the amount which should be recognized during the remaining waiting period in the current profit or loss, and recognize capital reserves at the same time. However, if any new equity instrument is granted and on the date of granting such new equity instrument, it is affirmed that such new equity instrument can replace the canceled one, the treatment for such new equity instrument will be made in the way for modifying terms and conditions of the original equity instrument.

#### Cash-settled share-based payment and equity instrument

Cash-settled share-based payment is measured at the fair value of the liability which is assumed by the Company and calculated based on share or other equity instrument. The Company includes the share-based payment for which relevant right can be exercised subsequent to the grant of equity instruments in relevant costs or expenses on the grant date at the fair value of the liability it assumes, and increase liabilities accordingly. For the share-based payment for which relevant right can be exercised after the grant of equity instruments only when the services during the waiting period are completed or the specified performance conditions are met, on each balance sheet date within the waiting period, the Company, based on the best estimate on the situation of exercising relevant right, includes the services acquired during that period in relevant costs or expenses and in liabilities according, at the fair value of the liability the Company assumes. On each balance sheet date and settlement date prior to the settlement of relevant liabilities, the fair value of liability should be remeasured through the current profit or loss.

Where the Company modifies terms and conditions of the agreement on cash-settled share-based payment so as to realize the equity-settled share-based payment, on the date of modification (no matter whether the modification is carried out during or after the waiting period), the equity-settled share-based payment shall be measured at the fair value prevailing on the date of modifying the equity instrument granted, and services obtained shall be included in capital reserves; meanwhile, liabilities recognized based on cash-settled share-based payment on the date of modification shall be derecognized, and the difference between the cash-settled share-based payment and the equity-settled share-based payment shall be included in the current profit or loss. If the waiting period is extended or shortened on account of the modification made by the Company, the Company will make the accounting treatment according to the modified waiting period.

## 26. Revenue

#### Accounting policies adopted for revenue recognition and measurement

If the Company fulfills its performance obligations in a contract, it will recognize revenue when relevant customer obtains right of control over relevant goods or services. Obtaining the right of control over relevant goods or services means that the customer is able to make decisions on the use of the goods or the rendering of the services, and can obtain almost all of the economic benefits therefrom.

If two or more performance obligations are covered in the contract, on the contract commencement date, the transaction price will be amortized to individual performance obligation based on the relative proportion of the individual selling price of goods or services involved in the individual performance obligation. The Company measures revenue at the transaction price amortized to individual performance obligation.

The transaction price refers to the amount of consideration the Company is expected to have the right to take on account of the transfer of goods or services to the customer, excluding the payments charged by any third party and the payments expected to be refunded to the customer. The Company determines the transaction price according to the contract terms and in light of its previous regular practice, in the meantime, factors such as variable consideration, significant financing composition existing in the contract, non-cash consideration, and consideration payable to customers will be taken into account. The Company determines the transaction price involving the variable consideration at the amount that should not exceed the amount of accumulatively recognized revenue that is highly unlikely to have a major reversal when relevant uncertainty is eliminated. If the significant financing component is covered in the contract, the Company will determine the transaction price based on the amount of cash payable at once by the customer when the customer acquires the right of control over goods or services, as assumed, and amortize the difference between such transaction price and the contract price by the effective interest method during the contract period.

The obligation performance belongs to certain period in case one of the following conditions is met; otherwise, it belongs to certain time-point:

- The customer obtains and consumes the economic benefits brought by the performance of the Company while the Company is performing the obligation.
- Customers are able to control the goods under construction in the Company's performance process.
- The goods produced by the Company in the performance process of the contract have irreplaceable uses, and the Company has the right to receive payments for the portion of the performance that has been completed to date.

For a performance obligation to be performed within a certain period, the Company recognizes the revenue according to the performance progress during such period, except for the case that the performance progress cannot be reasonably determined. The Company may determine the performance progress by the output method or input method based on the nature of goods or service. When the performance progress cannot be reasonably determined, if the cost incurred is expected to be compensated, the revenue will be recognized by the Company at the amount of the cost incurred until the performance progress can be reasonably determined.

For performance obligations performed at a certain time-point, the Company recognizes revenue when the customer obtains control over relevant goods or services. The Company will consider the following signs when judging whether the customer has acquired the right of control over relevant goods or services:

- The customer has the current payment obligation for such goods or service, i.e. the Company enjoys the current right to collect the payment for such goods or service.
- The Company has transferred the legal ownership of such goods to the customer, i.e. the customer possesses the legal ownership of such goods.
- The Company has transferred goods to the customer in kind, i.e. the customer has possessed such goods in kind.
- The substantial risks and rewards of the ownership of such goods have been transferred by the Company to the customer, i.e. the customer has acquired the substantial risks and rewards of the ownership of such goods.
- The customer has accepted such goods or services.

The Company judges whether it is the principal person in charge or an agent in the course of transaction based on whether it possesses the control over the goods or service before transferring such goods or service to the customer. If the Company is able to control such goods or service before transferring the same to the customer, it will be the principal person in charge and recognize revenue based on the total consideration received or receivable; otherwise, the Company will be an agent and recognize revenue based on the amount of the commission or handling charge that the Company has to right to collect.

Specific methods for revenue recognition and measurement disclosed by business type

#### (1) Sales of petrochemical products and new chemical materials

a. Domestic sales: Revenue for customer-collected goods is recognized when the goods pass the factory gate according to the sales contract and sales order, and revenue from delivery of goods is recognized when the goods are delivered to the customer. b. Foreign sales: Revenue is recognized when export customs clearance procedures



are completed and customs declaration documents are obtained after the goods have been shipped out of the country.

## (2) Sales of electricity and thermal energy

Revenue from sales is recognized when electricity and heat energy services have been provided.

## (3) House property leasing

The Company signs a Lease Contract with the lessee and receives the rent for the lease period once or by installments. When the monthly leasing services are completed, the Company recognizes the lease revenue by amortizing it evenly under the straight-line method over the lease term.

## (4) Revenue from rendering of services

Contracts for rendering of services between the Company and customers mainly consist of performance obligations including engineering design and supervision. As the commodities produced by the Company in the course of contract performance have irreplaceable uses, and the Company has the right to collect payments for the accumulated part of the performance completed so far throughout the contract term, the Company regards such performance obligations as the performance obligations fulfilled within a certain period and determines and recognizes relevant revenue based on the performance progress, unless the performance progress cannot be reasonably determined. When the performance progress cannot be reasonably determined, if the cost incurred in the Company is expected to be compensated, the revenue will be recognized by the Company at the amount of the cost incurred until the performance progress can be reasonably determined.

## 27. Contract costs

Contract costs include the contract performance cost and the contract acquisition cost.

The Company's cost on contract performance does not belong to scope of standards for inventories, fixed assets or intangible assets, and is recognized as an asset when it meets the following conditions:

- Such cost is directly relevant to the contract which has been or is expected to be acquired.
- Such cost increases the resource which will be used by the Company for obligation performance.
- Such cost is expected to be recoverable.

If the incremental cost incurred by the Company for obtaining the contract is expected to be recovered, the contract acquisition cost is recognized as an asset.

Assets related to contract cost are amortized on the basis for the recognition of revenue from goods or services relevant to such assets; however, if the amortization period of contract acquisition cost is less than one year, the Company will include such cost in the current profit or loss when it occurs.

If the book value of the assets related to contract cost is higher than the difference between the following two items, the Company will make the provision for impairment of the exceeding part, and recognize it as the loss from impairment of assets.

- (1) The remaining consideration expected to be obtained due to the transfer of goods or services related to the asset;
- (2) The cost that is expected to be incurred for the purpose of transferring relevant goods or services.

If the factors causing the impairment in the previous period change, resulting that the above-mentioned difference is higher than the book value of such assets, the Company will reverse the provision for impairment which has been made originally, and include it in the current profit or loss. However, the book value of assets reversed should not exceed the book value of such assets on the reversal date as if no provision for impairment has been made.

## 28. Government grants

### Type

Government grants are monetary assets and non-monetary assets received without consideration by the Company from the government, and are divided into asset-related government grants and income-related government grants.

Asset-related government grants are government grants that the Company receives for the acquisition, construction or otherwise form long-term assets. Income-related government grants refer to government grants other than asset-related government grants.

#### Time of recognition

Government grants are recognized when the Company can meet all attaching conditions and is able to obtain such grants.

#### Accounting treatment

Asset-related government grants are used to offset the book value of relevant assets or recognized as deferred income. If such grants are recognized as the deferred income, they will be included in the current profit or loss by reasonable and systematic methods within useful lives of related assets (If such grants are relevant to routine activities of the Company, they will be included in other income; if such grants are irrelevant to routine activities of the Company, they will be included in non-operating income);

Income-related government grants used to compensate for relevant costs or losses which will occur in the following period in the Company are recognized as the deferred income, and, during the period when relevant costs or losses are recognized, are included in the current profit or loss (if income-related government grants are relevant to routine activities of the Company, they will be included in other income; if income-related government grants are irrelevant to routine activities of the Company, they will be included in the non-operating income) or used to offset relevant costs or losses; income-related government grants used to compensate for relevant costs or losses incurred in the Company are included in the current profit or loss (if income-related government grants are relevant to routine activities of the Company, they will be included in other income; if income-related government grants are irrelevant to routine activities of the Company, they will be included in the non-operating income) or used to offset relevant costs or losses.

The interest subsidies for policy-based preferential loans obtained by the Company shall be subject to the following accounting treatments based on two kinds of situations:

(1) Where the finance department appropriates the interest subsidies to the lending bank, and the lending bank provides the loan at the policy-based preferential interest rate to the Company, the Company measures the loan at the amount actually received, and relevant loan expenses are calculated based on the principal of the loan and the policy-based preferential interest rate.

(2) Where the finance department directly appropriates the interest subsidies to the Company, the Company will use the corresponding interest subsidies to offset related borrowing costs.

### **29. Deferred income tax assets / deferred income tax liabilities**

Income taxes include the current income tax and the deferred income tax. Except for the income tax in the transactions or matters of business combination and directly including relevant items in the owners' equity (including other comprehensive income), the Company includes the current income tax and deferred income tax in the current profit or loss.

The deferred income tax assets and deferred income tax liabilities are calculated and recognized based on the differences (temporary differences) between the tax bases of assets and liabilities and the book values of the same.

Deductible temporary differences, not exceeding the taxable income which is likely to be obtained in the future and is used to deduct the deductible temporary differences, are recognized as deferred income tax assets. Deductible losses and tax credits that can be carried forward to subsequent years, not exceeding the taxable income which is likely to be obtained in the future for the purpose of deducting the deductible losses and tax credits, are recognized as deferred income tax assets accordingly.

Taxable temporary differences are recognized as deferred income tax liabilities except in special circumstances.

Special situations where the deferred income tax assets or deferred income tax liabilities are not recognized include:

- Initial recognition of goodwill;
- Transactions or matters that neither belong to the business combination nor affect the accounting profit and taxable income (or deductible loss) when they occur, and where the assets and liabilities initially recognized

do not cause any taxable temporary difference and deductible temporary differences with the equivalent amount.

Taxable temporary differences related to investments in subsidiaries, associates and joint ventures are recognized as deferred income tax liabilities; unless the Company is able to control the time for reversing such temporary differences and such temporary differences are unlikely to be reversed in the foreseeable future. For the deductible temporary differences related to investments in subsidiaries, associates and joint ventures, the deferred income tax assets are recognized when the temporary differences may be reversed in the foreseeable future and they are likely to be obtained to offset the taxable income of deductible temporary differences in the future.

On the balance sheet date, the deferred income tax assets and deferred income tax liabilities are measured at the tax rates applicable to the period where relevant assets are expected to be recovered or relevant liabilities are expected to be discharged, according to the tax law.

On the balance sheet date, the Company reviews the book value of deferred income tax assets. If it is unlikely to obtain sufficient taxable income in the future to offset against the benefit of deferred income tax assets, the book value of deferred income tax assets will be written down. If it is likely to obtain sufficient taxable income, the book value of deferred tax assets written down will be recovered.

If the Company has the legal right to settle in net amounts and intends to settle in net amount or to obtain assets and discharge liabilities simultaneously, the current tax assets and current tax liabilities of the Company shall be presented based on the net amount after offset.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities simultaneously meeting the following conditions are presented by net amount after offset:

- The taxpayer has the legal right to settle the current income tax assets and current income tax liabilities by net amount;
- Deferred income tax assets and deferred income tax liabilities are related to the income tax which are imposed on the same taxpayer by the same tax collection authority or to different taxpayers, but, in each important future period in connection with the reversal of deferred income tax assets and liabilities, the involved taxpayers intend to settle the current income tax assets and current income tax liabilities with net amount or to obtain assets and discharge liabilities simultaneously.

### 30. Leases

A lease refers to a contract where the lessor transfers the right to use an asset to the lessee for a certain period to get relevant consideration. On the commencement date of a contract, the Company evaluates whether the contract is, or contains, a lease. If a party to a contract has transferred the right to control the use of one or more identified assets within a certain period in exchange for consideration, the contract should be a lease or include a lease.

If the contract is involved with several individual leases at the same time, the Company will divide the contract and carry out the accounting treatment for lease individually. If the contract includes both the lease part and non-lease part, the lessee and the lessor will separate the lease part from the non-lease part.

The Company as the lessee

#### (1) Right-of-use assets

On the commencement date of the lease term, the Company recognizes leases other than short-term lease and low-value asset lease as the right-of-use assets. Right-of-use assets are initially measured at cost. Such cost includes:

Initially measured amount of lease liabilities;

Lease payment amount on or before the commencement date of the lease term, or the balance of such amount less the amount relevant to the enjoyed lease incentive, if any;

Initially direct expense incurred in the Company;

The cost expected to incur in the Company for the purpose of disassembling and removing the leased assets, restoring the location of the leased assets or restoring the leased assets to the status specified in the lease clauses, excluding the cost on producing inventories.

The Company subsequently makes the provision for depreciation of right-of-use assets by the straight-line method. Where the Company can reasonably confirm that the ownership of the leased assets can be obtained at the expiration of the lease term, the provision for depreciation of right-of-use assets should be made over the remaining useful life for the leased assets; otherwise, such provision should be made over the lease term or the remaining useful life for the leased assets, whichever is shorter.

The Company confirms whether the right-of-use assets have been impaired in the principles specified in Note “V.20 Impairment of long-term assets” hereof, and makes accounting treatment for impairment losses recognized.

## (2) Lease liabilities

On the commencement date of the lease term, the Company recognizes leases other than short-term lease and low-value asset lease as the lease liabilities. The lease liabilities are initially measured at the present value of unpaid lease payment. The lease payment includes:

Fixed payment (including the actual fixed payment), or the balance of such payment less the amount relevant to lease incentive, if any;

Variable lease payment depending on certain index or ratio;

Payment expected to be paid based on the residual value of the guarantee provided by the Company;

The executive price for buying the option, provided that the Company is reasonably certain that it will execute the option;

Payment needs to be paid for executing the lease termination option, provided that it is reflected that the Company will execute the lease termination option during the lease term.

The Company takes the interest rate implicit in lease as the discount rate, or takes the interest rate for incremental borrowings of the Company as the discount rate if the interest rate implicit in lease cannot be determined reasonably.

The Company calculates the interest expenses for lease liabilities over all periods within the lease term based on the fixed and periodic interest rate, and includes the same in the current profit or loss or the asset-related cost.

Variable lease payment not included in the lease liabilities for measurement is included in the current profit or loss or the asset-related cost when it is actually incurred.

After the commencement date of the lease term, in case of the following situations, the Company will remeasure the lease liabilities and adjust the corresponding right-of-use assets. If the book value of right-of-use assets has been reduced to zero, but the lease liabilities still need to be reduced, the Company will include the difference in the current profit or loss:

If the Company's assessment result of call option, renewal option or lease termination option changes, or the actual execution situation of the aforesaid option is inconsistent with the original assessment result, the Company will remeasure the lease liabilities at the present value calculated based on the lease payment after the change at the revised discount rate;

If the actual fixed payment, the amount expected to be payable of the residual value of the guarantee or the index or ratio used to determine the lease payment changes, the Company will remeasure the lease liabilities at the present value calculated based on the lease payment after the change at the original discount rate. However, if the change in lease payment is caused by the change in the floating rate, the present value will be calculated at the revised discount rate.

## (3) Short-term lease and low-value asset lease

Where the Company chooses not to recognize the short-term lease and low-value asset lease as the right-of-use assets and lease liabilities, it should include relevant lease payments in the current profit or loss or asset-related cost by the straight-line method over all periods within the lease term. Short-term lease refers to the lease where the lease term does not exceed 12 months as of the commencement date of lease term and which does not include the call option. Low-value asset lease refers to the lease where the price is low when the individual leased asset is the brand new asset. When the Company subleases or is expected to sublease the leased assets, the original lease will not be the low-value asset lease any more.

#### (4) Lease changes

Where any lease has changed and meet the following conditions at the same time, the Company should take such lease as an individual lease for accounting treatment:

Such lease change has expanded the lease scope by adding one or more rights to the use of leased assets;

The added consideration is equal to the amount of adjustment made based on the contract to the separate price for the expended part of the lease.

Where the lease change is taken as an individual lease for accounting treatment, on the effective date of lease change, the Company re-amortizes the contract consideration after change, re-determines the lease term, and remeasures the lease liabilities based on the present value calculated based on the changed lease payment at the revised discount rate.

If the lease scope or term is reduced due to the lease change, the Company will reduce the book value of right-of-use assets accordingly and include relevant gains or losses from the partial or whole termination of the lease in the current profit or loss. If other lease change causes the remeasurement of lease liabilities, the Company will adjust the book value of right-of-use assets accordingly.

The Company as the lessor

On the lease commencement date, the Company divides leases into the finance lease and operating lease. The finance lease refers to the lease where almost all risks and rewards related to the ownership of leased assets have been transferred, regardless of whether the ownership has been finally transferred. The operating lease refers to other leases than the finance lease. The Company, as the sublessor, classifies subleases based on the right-of-use assets generating from the original leases.

##### (1) Accounting treatment of operating lease

The lease receipt from operating lease is recognized as the rent revenue by the straight-line method during each period within the lease term. The Company capitalizes the incurred initial direct expense relevant to the operating lease, and amortizes the same on the same basis for rent revenue recognition during the lease term to include the same in the current profit or loss. Variable lease payment not included in the lease receipt is included in the current profit or loss when it is actually incurred. In case of any change in operating lease, the Company will make accounting treatment for the operating lease changed by taking it as a new lease from the change commencement date, the amount receivable of the new lease will be recognized at the lease payment to be received or receivable which is relevant to the lease before the change.

##### (2) Accounting treatment of finance lease

On the lease commencement date, the Company recognizes finance lease receivables for finance leases, and derecognizes assets under the finance lease. At the initial measurement of finance lease receivables, the Company takes the net lease investment as the entry value as the finance lease receivables. The net lease investment refers to the sum of the unguaranteed residual value and the present value calculated via discount based on the lease receipt which has not been received on the commencement date of lease term at the interest rate implicit in lease.

The Company determines via calculation the interest income over all periods within the lease term based on the fixed and periodic interest rate. The derecognition and impairment of finance lease receivables are subject to the accounting treatment specified in “V.10 Financial instruments”.

Variable lease payment not included in the net lease investment for measurement is included in the current profit or loss when it is actually incurred.

Where any finance lease has changed and meets the following conditions at the same time, the Company should take such lease as an individual lease for accounting treatment:

Such lease change has expanded the lease scope by adding one or more rights to the use of leased assets;

The added consideration is equal to the amount of adjustment made based on the contract to the separate price for the expended part of the lease.

Where the changed finance lease does not be taken as an individual lease for accounting treatment, the Company will treat such changed finance lease according to the following situations:

If the change takes effect on the lease commencement date, and such lease may be classified as the operating lease, the Company will make accounting treatment for such lease by taking it as a new lease from the lease change effectiveness date, and recognize the book value of the leased assets at the net lease investment before the lease change effectiveness date;

If the change takes effect on the lease commencement date, and such lease may be classified as the finance lease, the Company will make accounting treatment according to the policies for contract modification or reset specified in the Note "V.10 Financial instruments" hereto.

#### Leaseback

The Company determines via assessment whether the assets transfer under leaseback belongs to sales according to the principle specified in "Note V.26 Revenue".

##### (1) The Company as the lessee

If the assets transfer under leaseback belongs to sales, the Company, as the lessee, will measure the right-of-use assets arising from leaseback based on the part relevant to the use right acquired via leaseback in the book value of the original assets, and recognize relevant gain or loss only regarding the right transferred to the lessor.

For the subsequent measurement of right-of-use assets and lease liabilities and lease changes after the commencement date of the lease term, please refer to paragraph "V.30.1 The Company as the lessee" under Note "V.30 Leases" hereof. At the subsequent measurement of lease liabilities arising from the leaseback, the way adopted by the Company for the confirmation of the original lease payment or the changed lease payment will not cause the recognition of the gains or losses relevant to the right of use acquired from leaseback.

Where the transfer of assets under leaseback is not a part of sales, the Company, as the lessee, should continue to recognize the assets transferred, and a liability equivalent to the transfer income. For the accounting treatment of financial liabilities, see "Note V.10 Financial instruments" for details.

##### (2) The Company as the lessor

If the assets transfer under leaseback belongs to sales, the Company, as the lessor, will carry out the accounting treatment for assets purchase, and make the accounting treatment for assets lease-out according to "2. The Company as the lessor" mentioned above; if the assets transfer under leaseback does not belong to sales, the Company, as the lessor, will not recognize the transferred assets, but will recognize a financial asset equal to the transfer revenue at the same time. For the accounting treatment of financial assets, see "Note V.10 Financial instruments" for details.

### 31. Hedging accounting

#### Hedging classification

(1) The term "fair value hedging" refers to a hedging of the risk to changes in the fair value of a recognized asset or liability or a previously unrecognized firm commitment (excluding foreign exchange risks).

(2) The term "cash flow hedging" refers to a hedging of the risk to changes in cash flow. Such changes in cash flow are attributable to a particular risk associated with a recognized asset or liability and a highly probable forecast transaction, or a foreign exchange risk contained in an unrecognized firm commitment.

(3) A "hedging of net investment in an overseas operation" refers to a hedging of the foreign exchange risk arising from net investment in an overseas operation. The term "net investment in overseas business" refers to the Company's equity share in the net assets of its overseas business.

#### Designation of hedging relationship and identification of hedging effectiveness

At the commencement of the hedging relationship, the Company formally designates the hedging relationship and prepares a formal written document about the hedging relationship, risk management objectives and the strategies of hedging. Such document specifies the nature and quantity of hedging instruments and hedged items, the nature of hedged risks, hedging types and effective evaluation made by the Company on hedging instruments. Hedging effectiveness refers to the level that the fair value of the hedging instruments or the changes in the cash flows can offset changes in the fair value or cash flows of the hedged items arising from the hedging risks.

The Company continues to evaluate the hedging effectiveness to decide whether the hedging meets the effectiveness requirements of hedging accounting application during the accounting period where the hedging relationship is designated. If it fails to do so, the application of hedging relationship will be terminated.

The application of hedging accounting should meet the following requirements of hedging effectiveness:

- (1) There is the economic relationship between the hedged item and the hedging instrument.
- (2) In the value change arising from the economic relationship between the hedged item and the hedging instrument, the impact of credit risk is not dominant.
- (3) The appropriate hedging ratio is adopted, and it will not cause the unbalance of the relative weight of the hedged item and the hedging instrument, so as not to produce any accounting result that is inconsistent with the hedging accounting objective. If the hedging ratio is no longer appropriate, but the hedging risk management objective does not change, the quantity of hedged items or hedging instruments will be adjusted to make the hedging ratio meet the effectiveness requirements again.

#### Accounting treatment of hedging

##### (1) Fair value hedging

Changes in the fair value of derivative instruments are recognized in the current profit or loss. The change in fair value of hedged item incurred by the hedged risk are included in the current profit or loss, and the book value of the hedged item is adjusted at the same time.

For fair value hedges of financial instruments measured at amortised cost measured at amortized cost, the adjustment made to the book value of the hedged item should, during the period from the adjustment date to the maturity date, be amortized and included in the current profit or loss. Amortization with the effective interest method may begin immediately after the adjustment of the book value and shall not be later than the date when the hedged item terminates the adjustment to changes in fair value from hedging risks.

If the hedged item is derecognized, the unamortized fair value will be recognized as the current profit or loss.

If a hedged item is an unrecognized firm commitment, the accumulative amount of the changes in the fair value of the firm commitment incurred by the hedged risk should be recognized as an asset or liability and the relevant profit or loss should be included in the current profit or loss. Changes in the fair value of hedging instruments are recognized in the current profit or loss.

##### (2) Cash flow hedging

The portion of gain or loss on the hedging instrument that is attributable to the effective hedging is directly recognized as other comprehensive income; while the portion that is attributable to the ineffective hedging is included in the current profit or loss.

Where the hedged transaction affects the current profit or loss, amount recognized in other comprehensive income should be transferred into the current profit or loss when the hedged financial revenues or financial expenses are recognized, or when anticipated sales occur. If the hedged item is the cost of a non-financial asset or non-financial liability, then the amount previously recognized in other comprehensive income should be transferred into the initially recognized amount of the non-financial asset or the non-financial liability (or then the amount previously recognized in other comprehensive income should be transferred in the same period when the non-financial asset or the non-financial liability affects profit or loss and should be included in the current profit or loss).

If the forecast transaction or the firm commitment is not expected to occur, the accumulated gains or losses of the hedging instrument originally included in other comprehensive income will be transferred out and included in the current profit or loss. If the hedging instrument has matured or been sold, or the contract is terminated or has been exercised (without replacement or extension), or the designation of the hedging relationship is revoked, the amount previously recognized in other comprehensive income are not transferred until the expected transaction or firm commitment affects the current profit or loss.

##### (3) Hedging of net investment in an overseas operation

A hedging of net investment in an overseas operation includes the hedging of a monetary item as a part of net investment and should be subject to the treatment for the cash flow hedging. The portion of profit or loss from the hedging instrument attributable to the effective hedging should be included in other comprehensive income, and

that attributable to the ineffective hedging should be included in the current profit or loss. At the disposal of overseas operation, any accumulated gain or loss included in other comprehensive income should be transferred out and included in the current profit or loss.

### 32. Reporting segments

The Company determines the operating segment based on the internal organizational structure, management requirements and internal reporting system, and determines the reporting segment based on the operating segment and discloses the segment information.

The operating segment includes the Company's constituent parts meeting the following conditions at the same time: (1) These constituent parts can generate revenue and incur expenses during the routine activities; (2) The Management of the Company is able to make the regular assessment on the operating results of these constituent parts, so as to decide the resource distribution made therefor and assess the performance thereof; (3) The Company is able to obtain such accounting-related information as financial condition, operating results and cash flows of these constituent parts. If two or more operating segments have the similar economic characteristics, meeting certain conditions, they can be combined into one operating segment.

### 33. Determination method and selection basis of materiality threshold

☒Applicable ☐Not applicable

Item	Materiality threshold
Important construction projects in progress	The individual construction in progress with the construction budget exceeding 0.5% of the total assets and the construction in progress which is important as considered by the Company are recognized by the Company as the important construction in progress.
Important accounts payable with aging over 1 year	Accounts payable with the individual amount exceeding 5% of total accounts payable or the accounts payable amounting over RMB 100 million are recognized by the Company as important accounts payable.
Other important payables with aging over 1 year	Other payables with the individual amount exceeding 5% of total other payables or other payables amounting over RMB 100 million are recognized by the Company as other important payables.
Important contract liabilities with aging over 1 year	Contract liabilities with the individual amount exceeding 1% of total liabilities are recognized by the Company as important contract liabilities.
Important non-wholly-owned subsidiaries	Subsidiaries with total amount of individual asset exceeding 3% of total assets are recognized by the Company as important non-wholly-owned subsidiaries.
Important associates	Associates where the book value of individual investment exceeds 0.5% of the Company's total assets are recognized by the Company as important associates.
Important commitments	Commitments with individual amount exceeding 3% of total assets or other matters having significant influence on investors' decision-making are recognized by the Company as important commitments.
Important contingencies	Contingencies with individual amount exceeding 3% of total assets or other matters having significant influence on investors' decision-making are recognized by the Company as important contingencies.
Important post balance sheet matters	Profit distribution after the balance sheet date and other matters having significant influence on investors' decision-making are recognized by the Company as important post balance sheet matters.

### 34. Changes in significant accounting policies and accounting estimates

#### (1) Changes in significant accounting policies

☐Applicable ☒Not applicable



**(2) Changes in significant accounting estimates**

☐Applicable ☒Not applicable

**(3) Adjustment to items in the financial statements at the beginning of the year for the initial implementation of the new accounting standards according to such new standards**

☐Applicable ☒Not applicable

**VI. Taxation****1. Major tax types and tax rates**

Tax type	Tax basis	Tax rate
Value-added tax (VAT)	Levied based on the difference between the output tax (calculated based on the revenue from sales of goods and rendering of services according to tax law) and the deductible input tax for the period	According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Policies Relating to the Deepening of VAT Reform (Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs [2019] No.39), VAT rates range from 3%, 5%, 6%, 9% to 13%, effective as of April 1, 2019.
Consumption tax	Taxable sales volume	The consumption tax is calculated and paid at the price of RMB 1.2/liter for the sale of fuel oil and diesel oil, and at the price of RMB 1.52 /liter for the sale of gasoline and naphtha.
Urban maintenance and construction tax	Levied based on the VAT and consumption tax actually paid	5%, 7%
Enterprise income tax	Levied based on the taxable income	See the table as below
House property tax	Levied based on 12% of the rental revenue from rental housing; levied based on 1.2% of the remaining value after deducting 30% of the original value of the houses for self-use	1.2%, 12%

For taxpayers adopting different enterprise income tax rates, the information should be disclosed as follows:

Taxpayer	Income tax rate
Jiangsu Eastern Shenghong Co., Ltd.	25%
Jiangsu Shenghong Chemical Fiber New Materials Co., Ltd.	25%
Jiangsu Guowang High-tech Fiber Co., Ltd.	15%
Suzhou Shenghong Fiber Co., Ltd.	15%
Jiangsu Zhonglu Technology Development Co., Ltd.	15%
Suzhou Suzhen Bioengineering Co., Ltd.	15%
Jiangsu Shenghong Fiber Testing Co., Ltd.	25%
Jiangsu Ganghong Fiber Co., Ltd.	15%
Jiangsu Shenghong Technology and Trade Co., Ltd.	25%
Lantean Holding Group Co., Limited	Levied at the tax rate subject to relevant

Taxpayer	Income tax rate
	regulations implemented in the place of business
Suzhou Tangnan Sewage Treatment Co., Ltd.	25%
Shenghong New Materials (Suqian) Co., Ltd.	25%
Jiangsu Reborn Eco-tech Co., Ltd.	15%
Guowang High-tech Fiber (Suqian) Co., Ltd.	15%
Honghai New Materials (Suqian) Co., Ltd.	25%
Hongbang New Materials (Suqian) Co., Ltd.	25%
Siyang Yiyang Environmental Energy Co., Ltd.	25%
Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.	25%
Jiangsu New Vision Inspection and Certification Co., Ltd.	20%
Jiangsu Shenghong Petrochemical Industry Group Co., Ltd.	25%
Shenghong (Shanghai) Polyester Material Co., Ltd.	25%
Jiangsu Honggang Petrochemical Co., Ltd.	25%
Jiangsu Shenghong Petrochemical Centralized Procurement Co., Ltd. (Former name: Lianyungang Guanhong Trading Co., Ltd.)	25%
Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	25%
Shenghong Refining & Chemical (Lianyungang) Port Storage and Transportation Co., Ltd.	25%
Shenghong Petrochemical (Singapore) International Co., Ltd.	Levied at the tax rate subject to relevant regulations implemented in the place of business
Shenghong Shipping (Singapore) International Co., Ltd.	Levied at the tax rate subject to relevant regulations implemented in the place of business
Jiangsu Shenghong Petrochemical Sales Co., Ltd. (Former name: Shenghong (Lianyungang) Oils Sales Co., Ltd.)	25%
Jiangsu Shengjing New Materials Co., Ltd.	25%
Jiangsu Hongwei Chemical Co., Ltd.	25%
Lianyungang Hongke New Materials Co., Ltd.	25%
Jiangsu Sierbang Petrochemical Co., Ltd.	15%
Lianyungang Shunmeng Trading Co., Ltd.	25%
Jiangsu Hongjing New Materials Co., Ltd.	25%
Lianyungang Guanhong Industrial Co., Ltd.	25%
Shenghong Petrochemical (Lianyungang) Port Storage and Transportation Co., Ltd.	25%
Lianyungang Rongtai Chemical Warehousing Co., Ltd.	25%
Lianyungang Xinrongtai Terminal Co., Ltd.	25%
Lianyungang Hongyang Port Storage and Transportation Co., Ltd.	25%
Liaoning Province Petroleum-chemical Industry Planning & Designing	15%

Taxpayer	Income tax rate
Institute Co., Ltd.	
Lianyungang Fanghong Port Storage and Transportation Co., Ltd.	25%
Jiangsu Shengze Dongfang Hengchuang Energy Co., Ltd.	25%
Jiangsu Shengze Gas Turbine Thermal Power Co., Ltd.	25%
Suzhou Shenghong Data Cloud Technology Co., Ltd.	25%
Jiangsu Shenghong Energy & Chemical New Materials Co., Ltd.	25%
Inner Mongolia Shenghuayi Energy Co., Ltd.	25%
Inner Mongolia Sierbang Energy and Chemical Technology Co., Ltd.	25%
Hubei Hongrui New Materials Co., Ltd.	25%
Hubei Haiges New Energy Company Limited (Former name: Hubei Haiges New Energy Co., Ltd.)	25%
Shenghong (Shanghai) New Material Technology Co., Ltd.	25%
Shenghong (Jiangsu) Advanced Materials Research Institute Co., Ltd.	25%
Shenghong Petrochemical Group Shanghai New Materials Co., Ltd.	25%
Suzhou Shengze Marketing Management Co., Ltd.	25%

## 2. Tax preference

### (1) Jiangsu Guowang Hi-Tech Fiber Co., Ltd.

Jiangsu Guowang High-tech Fiber Co., Ltd. obtained the hi-tech enterprise certificate (No. GR202332001197) jointly issued by the Department of Finance of Jiangsu Province, Jiangsu Provincial Department of Science and Technology, and Jiangsu Provincial Tax Service, State Taxation Administration, with a valid term of three years on November 6, 2023, enjoying the preferential income tax rate of 15% from 2023 to 2025.

### (2) Jiangsu Zhonglu Technology Development Co., Ltd.

Jiangsu Zhonglu Technology Development Co., Ltd. obtained the hi-tech enterprise certificate (No. GR202232000817) jointly issued by Jiangsu Provincial Department of Science and Technology, the Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration, with a valid term of three years on October 12, 2022, enjoying the preferential income tax rate of 15% from 2022 to 2024.

### (3) Suzhou Shenghong Fiber Co., Ltd.

Suzhou Shenghong Fiber Co., Ltd. obtained the hi-tech enterprise certificate (No. GR202432005620) jointly issued by the Department of Finance of Jiangsu Province, Jiangsu Provincial Department of Science and Technology, and Jiangsu Provincial Tax Service, State Taxation Administration, with a valid term of three years on November 19, 2024, enjoying the preferential income tax rate of 15% from 2024 to 2026.

### (4) Suzhou Suzhen Bioengineering Co., Ltd.

Suzhou Suzhen Bioengineering Co., Ltd. obtained the hi-tech enterprise certificate (No. GR202232014670) jointly issued by the Department of Finance of Jiangsu Province, Jiangsu Provincial Department of Science and Technology, and Jiangsu Provincial Tax Service, State Taxation Administration, with a valid term of three years on December 12, 2022, enjoying the preferential income tax rate of 15% from 2022 to 2024.

### (5) Jiangsu Ganghong Fiber Co., Ltd.

Jiangsu Ganghong Fiber Co., Ltd. obtained the hi-tech enterprise certificate (No. GR202432005990) jointly issued by the Department of Finance of Jiangsu Province, Jiangsu Provincial Department of Science and Technology, and Jiangsu Provincial Tax Service, State Taxation Administration, with a valid term of three years on November 19, 2024, enjoying the preferential income tax rate of 15% from 2024 to 2026.

### (6) Jiangsu Reborn Eco-tech Co., Ltd.

Jiangsu Reborn Eco-tech Co., Ltd. obtained the hi-tech enterprise certificate (No. GR202432007048) jointly issued by the Department of Finance of Jiangsu Province, Jiangsu Provincial Department of Science and Technology, and Jiangsu Provincial Tax Service, State Taxation Administration, with a valid term of three years on November 19, 2024, enjoying the preferential income tax rate of 15% from 2024 to 2026.

(7) Guowang High-tech Fiber (Suqian) Co., Ltd.

Guowang High-tech Fiber (Suqian) Co., Ltd. obtained the hi-tech enterprise certificate (No. GR202432004339) jointly issued by the Department of Finance of Jiangsu Province, Jiangsu Provincial Department of Science and Technology, and Jiangsu Provincial Tax Service, State Taxation Administration, with a valid term of three years on November 19, 2024, enjoying the preferential income tax rate of 15% from 2024 to 2026.

(8) Jiangsu Sierbang Petrochemical Co., Ltd.

Jiangsu Sierbang Petrochemical Co., Ltd. obtained the hi-tech enterprise certificate (No. GR202432003787) jointly issued by the Department of Finance of Jiangsu Province, Jiangsu Provincial Department of Science and Technology, and Jiangsu Provincial Tax Service, State Taxation Administration, with a valid term of three years on November 19, 2024, enjoying the preferential income tax rate of 15% from 2024 to 2026.

(9) Shenghong Refining & Chemical (Lianyungang) Co., Ltd.

Shenghong Refining & Chemical (Lianyungang) Co., Ltd. obtained the hi-tech enterprise certificate (No. GR202432017492) jointly issued by Department of Finance of Jiangsu Province, Jiangsu Provincial Department of Science and Technology, and Jiangsu Provincial Tax Service, State Taxation Administration, with a valid term of three years on December 24, 2024, enjoying the preferential tax rate for income tax from 2024 to 2026. As the company had undistributed deficit for previous years, it chose to forgo such tax preference when filling out the corporate income tax return, and still paid the enterprise income tax at the tax rate of 25%.

(10) Shenghong Refining and Chemical (Lianyungang) Port Storage and Transportation Co., Ltd.

According to the Article 87 of the *Implementing Regulations of the Enterprise Income Tax Law*, stating that as for the income from investments and operation of enterprises engaging in the port, airport, railway, highway, urban public transportation, electricity and water conservancy projects as listed in the *List of Public Infrastructure Projects Enjoying the Enterprise Income Tax Preference*, from the tax year where relevant project gains revenue from the first batch of production management, the enterprise income tax shall be exempt for the first three years, and shall be half-reduced from the fourth year to the sixth year. As Shenghong Refining & Chemical (Lianyungang) Port Storage and Transportation Co., Ltd. obtained the first income from production and operation in 2021, it shall be exempt from the enterprise income tax on the above-mentioned projects from 2021 to 2023, and shall pay in half the enterprise income tax on the above-mentioned projects from 2024 to 2026.

(11) Liaoning Province Petroleum-chemical Industry Planning & Designing Institute Co., Ltd.

Liaoning Province Petroleum-chemical Industry Planning & Designing Institute Co., Ltd. obtained the hi-tech enterprise certificate (No. GR202221000723) jointly issued by the Department of Finance of Liaoning Province, Department of Science & Technology of Liaoning Province, and Liaoning Provincial Tax Service, State Taxation Administration, with a valid term of three years on November 28, 2022, enjoying the preferential income tax rate of 15% from 2022 to 2024.

(12) According to the *Announcement on the Value-added Tax Super-deduction Policy for Advanced Manufacturing Enterprises* (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 43) issued by the Ministry of Finance and the State Taxation Administration, from January 1, 2023 to December 31, 2027, advanced manufacturing enterprises are allowed to add an extra 5% based on the deductible input tax for the current period for deduction of the VAT payable.

## VII. Notes to the items of consolidated financial statements

### 1. Monetary funds

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Cash on hand	14,777.18	9,053.74

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Bank deposits	13,196,126,522.48	11,960,953,918.25
Other monetary funds	2,165,580,590.19	1,672,494,208.99
Interest on unexpired time deposits	2,174,733.43	2,989,802.09
Total	15,363,896,623.28	13,636,446,983.07
Including: deposits with overseas banks	690,544,423.09	223,889,211.99

**2. Financial assets held for trading**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Financial assets at fair value through profit or loss	104,020,190.89	106,594,928.00
Including:		
Equity instrument investments	0.00	74,183,711.94
Derivative financial assets	104,020,190.89	32,411,216.06
Total	104,020,190.89	106,594,928.00

**3. Notes receivable****(1) Presentation of notes receivable by category**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Bank acceptance bills	11,837,780.15	97,777,618.59
Total	11,837,780.15	97,777,618.59

**(2) Provision, reversal or recovery of provision for bad debts in the current period**

None

**(3) Pledged notes receivable of the Company as at June 30, 2025**

None

**(4) Notes receivable of the Company as at June 30, 2025 that have been endorsed or discounted but not matured on the balance sheet date**

Monetary Unit: RMB

Item	Amount derecognized as at June 30, 2025	Amount not derecognized as at June 30, 2025
Bank acceptance bills	0.00	9,091,798.63
Total	0.00	9,091,798.63

**(5) Notes receivable actually charged off in the current period**

None

**4. Accounts receivable****(1) Disclosure by aging**

Monetary Unit: RMB

Aging	Book balance as at June 30, 2025	Book balance as at January 1, 2025
Within 1 year (including 1 year)	3,806,995,724.30	2,387,475,533.84
1 - 2 years	10,987,440.95	11,057,522.81
2 - 3 years	10,903,266.61	8,992,844.20
Over 3 years	19,810,562.29	11,590,591.22
Total	3,848,696,994.15	2,419,116,492.07

**(2) Disclosure based on the method of provision for bad debts by category**

Monetary Unit: RMB

Category	Balance as at June 30, 2025					Balance as at January 1, 2025				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Accounts receivable with provision for bad debts made individually	27,985,698.50	0.73%	27,985,698.50	100.00%	0.00	27,985,698.50	1.16%	27,985,698.50	100.00%	0.00
Accounts receivable with provision for bad debts made by portfolio	3,820,711,295.65	99.27%	67,737,707.02	1.77%	3,752,973,588.63	2,391,130,793.57	98.84%	63,428,343.71	2.65%	2,327,702,449.86
Total	3,848,696,994.15	100.00%	95,723,405.52		3,752,973,588.63	2,419,116,492.07	100.00%	91,414,042.21		2,327,702,449.86

Accounts receivable with provision for bad debts made by portfolio

Monetary Unit: RMB

Portfolio name	Balance as at June 30, 2025		
	Book balance	Provision for bad debts	Proportion of provision
Portfolio of related parties	99,015,117.32		
Aging portfolio	1,202,137,232.29	67,737,707.02	5.63%
Portfolio of high credit rating	295,515,754.21		
Portfolio of trade payment of overseas companies	2,224,043,191.83		
Total	3,820,711,295.65	67,737,707.02	

If the provision for bad debts of accounts receivable is made according to the general model of expected credit losses:

☐ Applicable    ☒ Not applicable

**(3) Provision, recovery or reversal of provision for bad debts in the current period**

Provision for bad debts in the current period:

Monetary Unit: RMB

Type	Balance as at January 1, 2025	Increase or decrease in current period				Balance as at June 30, 2025
		Provision	Recovery or reversal	Charge-off	Others	
Provision for bad debts of accounts receivable	91,414,042.21	4,863,995.31	0.00	554,632.00	0.00	95,723,405.52
Total	91,414,042.21	4,863,995.31	0.00	554,632.00	0.00	95,723,405.52

**(4) Accounts receivable actually charged off in the current period**

Monetary Unit: RMB

Item	Charge-off amount
Accounts receivable actually charged off	554,632.00

**(5) Top 5 of accounts receivable as at June 30, 2025, presented by the debtor**

Monetary Unit: RMB

Enterprise name	Balance of accounts receivable as at June 30, 2025	Percentage of total carrying amount of accounts receivable as at June 30, 2025	Balance of provision for bad debts of accounts receivable as at June 30, 2025
Entity 1	1,060,099,813.90	27.54%	
Entity 2	919,334,015.93	23.89%	
Entity 3	290,858,455.41	7.56%	
Entity 4	244,609,362.00	6.36%	
Entity 5	167,418,715.38	4.35%	8,370,935.77
Total	2,682,320,362.62	69.70%	8,370,935.77

**5. Receivables financing****(1) Presentation of receivables financing by category**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Bank acceptance bills	256,698,225.34	536,196,519.90
Total	256,698,225.34	536,196,519.90

**(2) Pledged receivable financing of the Company as at June 30, 2025**

None

**(3) Receivables financing of the Company as at June 30, 2025 that have been endorsed or discounted but not matured on the balance sheet date**

Monetary Unit: RMB

Item	Amount derecognized as at	Amount not derecognized as at June
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	June 30, 2025	30, 2025
Endorsed but not matured	771,677,483.91	
Discounted but not matured	2,548,408,350.94	
Total	3,320,085,834.85	

**(4) Receivables financing actually charged off in the current period**

None

**(5) Changes in receivables financing and fair values thereof in the current period**

Monetary Unit: RMB

Item	Balance as at December 31, 2024	Change in the current period	Balance as at June 30, 2025	Loss reserves accumulatively recognized in other comprehensive income
Notes receivable	536,196,519.90	-279,498,294.56	256,698,225.34	0.00
Total	536,196,519.90	-279,498,294.56	256,698,225.34	0.00

**6. Other receivables**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Other receivables	1,068,928,193.22	1,024,701,477.61
Less: provision for bad debts	17,559,538.27	15,356,800.97
Total	1,051,368,654.95	1,009,344,676.64

**(1) Other receivables****1) Category of other receivables by nature**

Monetary Unit: RMB

Nature	Book balance as at June 30, 2025	Book balance as at January 1, 2025
Receivables from government	880,698,528.94	880,698,528.94
Advances and current accounts	43,033,316.59	54,972,260.29
Various deposit and security deposit	142,576,188.40	87,153,742.46
Petty cash	856,011.62	44,702.77
Others	1,764,147.67	1,832,243.15
Total	1,068,928,193.22	1,024,701,477.61

**2) Disclosure by aging**

Monetary Unit: RMB

Aging	Book balance as at June 30, 2025	Book balance as at January 1, 2025
Within 1 year (including 1 year)	662,579,336.54	623,576,806.39
1 - 2 years	396,287,437.56	390,828,318.53
2 - 3 years	1,085,442.83	1,162,727.01



Over 3 years	8,975,976.29	9,133,625.68
Sub-total	1,068,928,193.22	1,024,701,477.61
Less: provision for bad debts	17,559,538.27	15,356,800.97
Total	1,051,368,654.95	1,009,344,676.64

**3) Disclosure based on the method of provision for bad debts by category**
☒Applicable ☐Not applicable

Monetary Unit: RMB

Type	Balance as at June 30, 2025					Balance as at January 1, 2025				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Provision for bad debts made by portfolio	1,068,928,193.22	100.00%	17,559,538.27	1.64%	1,051,368,654.95	1,024,701,477.61	100.00%	15,356,800.97	1.50%	1,009,344,676.64
Total	1,068,928,193.22	100.00%	17,559,538.27		1,051,368,654.95	1,024,701,477.61	100.00%	15,356,800.97		1,009,344,676.64

Provision for bad debts made by portfolio:

Monetary Unit: RMB

Portfolio name	Balance as at June 30, 2025		
	Book balance	Provision for bad debts	Proportion of provision
Portfolio of receivables from the government	880,698,528.94		
Aging portfolio	188,229,664.28	17,559,538.27	9.33%
Total	1,068,928,193.22	17,559,538.27	

The provision for bad debts is made according to the general model of expected credit losses:

Monetary Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	12-month expected credit loss	Lifetime expected credit loss (without credit impairment)	Lifetime expected credit loss (with credit impairment)	
Balance as at January 1, 2025	15,356,800.97			15,356,800.97
Provision in the current period	2,207,887.39			2,207,887.39
Reversal in the current period	0.00			0.00
Write-off in the current period	0.00			0.00
Charge-off in the current period	0.00			0.00
Other changes	-5,150.09			-5,150.09

Balance as at June 30, 2025	17,559,538.27			17,559,538.27
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Changes in the book balance of the provision for losses with significant changes in amount in the current period

☐Applicable ☒Not applicable

#### 4) Provision, recovery or reversal of provision for bad debts in the current period

Provision for bad debts in the current period:

Monetary Unit: RMB

Type	Balance as at January 1, 2025	Increase or decrease in current period				Balance as at June 30, 2025
		Provision	Recovery or reversal	Write-off or charge-off	Others	
Provision for bad debts of other receivables	15,356,800.97	2,207,887.39	0.00	0.00	-5,150.09	17,559,538.27
Total	15,356,800.97	2,207,887.39	0.00	0.00	-5,150.09	17,559,538.27

#### 5) Top 5 of other receivables as at June 30, 2025, presented by debtor

Monetary Unit: RMB

Enterprise name	Nature of payment	Balance as at June 30, 2025	Aging	Proportion in the total amount of the ending balance of other receivables (%)	Balance of provision for bad debts as at June 30, 2025
Entity 1	Government grants receivable	519,047,862.19	Within 2 years	48.56%	
Entity 2	Tax rebates receivable	211,205,293.14	1 - 2 years	19.76%	
Entity 3	Receivables for government asset transfers	150,445,373.61	Within 1 year	14.07%	
Entity 4	Deposit and security deposit	119,600,000.00	Within 1 year	11.19%	5,980,000.00
Entity 5	Deposit and security deposit	15,000,000.00	Within 1 year	1.40%	750,000.00
Total		1,015,298,528.94		94.98%	6,730,000.00

### 7. Advances to suppliers

#### (1) Advances to suppliers presented by aging

Monetary Unit: RMB

Aging	Balance as at June 30, 2025		Balance as at January 1, 2025	
	Amount	Proportion	Amount	Proportion
Within 1 year	1,542,801,022.94	98.00%	513,976,994.03	97.85%

1 - 2 years	25,848,346.09	1.64%	7,076,012.60	1.35%
2 - 3 years	2,144,586.39	0.14%	2,323,630.14	0.44%
Over 3 years	3,551,453.00	0.22%	1,905,007.44	0.36%
Total	1,574,345,408.42	100%	525,281,644.21	100%

**(2) Top 5 of advances to suppliers as at June 30, 2025, presented by supplier**

Monetary Unit: RMB

Supplier	Balance as at June 30, 2025	Percentage of total carrying amount of advances to suppliers as at June 30, 2025
Entity 1	610,886,508.69	38.80%
Entity 2	105,305,274.09	6.69%
Entity 3	101,101,800.00	6.42%
Entity 4	92,800,000.00	5.89%
Entity 5	73,845,649.01	4.69%
Total	983,939,231.79	62.49%

**8. Inventories****(1) Classification of inventories**

Monetary Unit: RMB

Item	Balance as at June 30, 2025			Balance as at January 1, 2025		
	Book balance	Inventory write-down or provision for impairment of contract performance costs	Book value	Book balance	Inventory write-down or provision for impairment of contract performance costs	Book value
Raw materials	9,626,716,616.93	1,925,487.70	9,624,791,129.23	7,468,948,170.98	449,776.49	7,468,498,394.49
Goods in process and semi-finished products	1,167,119,240.09	3,593,725.60	1,163,525,514.49	1,090,421,794.06	2,870,861.19	1,087,550,932.87
Finished goods	5,925,949,161.01	128,065,823.33	5,797,883,337.68	5,888,076,009.95	120,902,762.45	5,767,173,247.50
Contract performance cost	1,217,621.16	0.00	1,217,621.16	907,500.26	0.00	907,500.26
Commodities dispatched	0.00	0.00	0.00	247,635,885.82	0.00	247,635,885.82
Materials in transit	4,227,064,517.76	0.00	4,227,064,517.76	2,301,090,618.85	0.00	2,301,090,618.85
Consigned processing materials	222,890.49	0.00	222,890.49	362,645.22	0.00	362,645.22
Total	20,948,290,047.44	133,585,036.63	20,814,705,010.81	16,997,442,625.14	124,223,400.13	16,873,219,225.01

**(2) Provision for inventory depreciation and provision for impairment of contract performance costs**

Monetary Unit: RMB

Item	Balance as at January 1, 2025	Increase in the current period		Decrease in the current period		Balance as at June 30, 2025
		Provision	Others	Reversal or write-off	Others	
Raw materials	449,776.49	1,851,517.70	0.00	375,806.49	0.00	1,925,487.70
Goods in process and semi-finished products	2,870,861.19	7,663,050.72	0.00	6,940,186.31	0.00	3,593,725.60
Finished goods	120,902,762.45	209,113,379.08	0.00	201,950,318.20	0.00	128,065,823.33
Total	124,223,400.13	218,627,947.50	0.00	209,266,311.00	0.00	133,585,036.63

**9. Other current assets**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Value-added tax retained	2,128,151,833.00	1,607,183,420.00
Input VAT to be certified	407,385,245.71	150,479,686.78
Prepayment of income tax and other taxes	7,403,026.63	56,126,224.62
Total	2,542,940,105.34	1,813,789,331.40

**10. Other equity instrument investments**

Monetary Unit: RMB

Item	Balance as at January 1, 2023	Gains included in other comprehensive income in the current period	Losses included in other comprehensive income in the current period	Cumulative gains included in other comprehensive income as at June 30, 2025	Cumulative losses included in other comprehensive income as at June 30, 2025	Dividend income recognized in the current period	Balance as at June 30, 2025	Reason for being designated as the item measured at fair value through the other comprehensive income
Investment in equities of Goldstate Securities Co., Ltd.	584,422,540.00			91,922,540.00			584,422,540.00	The investment is held by the Company for long-term strategy
Total	584,422,540.00			91,922,540.00			584,422,540.00	

**11. Long-term equity investments**

Monetary Unit: RMB

Investee	Balance (Book value) as at January 1, 2025	Balance of provision for impairment as at January 1, 2025	Increase or decrease in current period								Balance (Book value) as at June 30, 2025	Balance of provision for impairment as at June 30, 2025
			Additional investment	Negative investment	Profit or loss on investments recognized by the equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividends or profits declared to be distributed	Provision for impairment made	Others		
Associates												
Tianjin Polytechnic University Textile Auxiliaries Co., Ltd.	63,370,082.08				935,000.12						64,305,082.20	
Tianjiao Technology Venture Capital Co., Ltd.	21,261,342.92				41,817.36						21,303,160.28	
Lianyungang Petrochemical Industry Base Energy Trading Services Co., Ltd.	5,926,091.48				-519,809.46						5,406,282.02	
Sanwei Banghai Petrochemical Engineering Co., Ltd.	3,000,000.00	3,000,000.00									3,000,000.00	3,000,000.00
Total	93,557,516.48	3,000,000.00			457,008.02						94,014,524.50	3,000,000.00

The recoverable amount is determined at fair value, net of disposal costs.

☐ Applicable ☒ Not applicable

The recoverable amount is determined at the present value of estimated future cash flows

☐ Applicable ☒ Not applicable

**12. Investment properties****(1) Investment properties measured at cost**

Monetary Unit: RMB

Item	Buildings and constructions	Land use right	Total
I. Original book value			
1. Balance as at January 1, 2025	691,112,858.10	400,218,272.54	1,091,331,130.64
2. Increase in the current period			
(1) Outsourcing			
(2) Transfer-in of inventories/fixed assets/construction in progress			
(3) Increase due to business combination			
3. Decrease in the current period			
(1) Disposal			
(2) Other transfers			
4. Balance as at June 30, 2025	691,112,858.10	400,218,272.54	1,091,331,130.64
II. Accumulative depreciation and accumulative amortization			
1. Balance as at January 1, 2025	291,475,467.69	174,081,806.10	465,557,273.79
2. Increase in the current period	12,078,204.97	7,277,461.78	19,355,666.75
(1) Provision or amortization	12,078,204.97	7,277,461.78	19,355,666.75
3. Decrease in the current period			
(1) Disposal			
(2) Other transfers			
4. Balance as at June 30, 2025	303,553,672.66	181,359,267.88	484,912,940.54
III. Provision for impairment			
1. Balance as at January 1, 2025			
2. Increase in the current period			

Item	Buildings and constructions	Land use right	Total
(1) Provision			
3. Decrease in the current period			
(1) Disposal			
(2) Other transfers			
4. Balance as at June 30, 2025			
IV. Book value			
1. Book value as at June 30, 2025	387,559,185.44	218,859,004.66	606,418,190.10
2. Book value as at January 1, 2025	399,637,390.41	226,136,466.44	625,773,856.85

**(2) Investment properties with pending certificate of title**

None

**13. Fixed assets**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Fixed assets	134,934,117,332.63	127,298,464,476.19
Total	134,934,117,332.63	127,298,464,476.19

**(1) Breakdown of fixed assets**

Monetary Unit: RMB

Item	Buildings and constructions	Machinery equipment	Transportation equipment	Office equipment and other equipment	Total
I. Original book value:					
1. Balance as at January 1, 2025	44,616,859,535.56	102,740,514,259.44	219,007,623.34	5,190,129,935.77	152,766,511,354.11
2. Increase in the current period	3,018,667,764.66	8,221,163,319.84	3,743,169.32	341,011,176.71	11,584,585,430.53
(1) Purchase	1,616,102.85	23,024,810.42	907,841.89	311,703,046.83	337,251,801.99
(2) Transfer-in of construction in progress	3,017,051,661.81	8,198,138,509.42	2,835,327.43	29,308,129.88	11,247,333,628.54
(3) Increase due to business combination	0.00	0.00	0.00	0.00	0.00
(4) Others	0.00	0.00	0.00	0.00	0.00
3. Decrease in the current period	3,955,233.69	14,228,108.94	3,002,615.14	173,752,926.44	194,938,884.21

Item	Buildings and constructions	Machinery equipment	Transportation equipment	Office equipment and other equipment	Total
(1) Disposal or scrapping	3,955,233.69	14,228,108.94	3,002,615.14	173,731,647.44	194,917,605.21
(2) Others	0.00	0.00	0.00	21,279.00	21,279.00
4. Balance as at June 30, 2025	47,631,572,066.53	110,947,449,470.34	219,748,177.52	5,357,388,186.04	164,156,157,900.43
II. Accumulated depreciation					
1. Balance as at January 1, 2025	5,241,832,003.22	18,360,157,418.71	113,860,320.54	1,411,229,386.29	25,127,079,128.76
2. Increase in the current period	758,071,473.33	2,709,441,350.10	15,969,219.44	295,835,318.82	3,779,317,361.69
(1) Provision	758,071,473.33	2,709,441,350.10	15,969,219.44	295,835,318.82	3,779,317,361.69
(2) Increase due to business combination	0.00	0.00	0.00	0.00	0.00
(3) Others	0.00	0.00	0.00	0.00	0.00
3. Decrease in the current period	1,709,229.16	8,919,543.15	2,740,581.83	11,933,251.98	25,302,606.12
(1) Disposal or scrapping	1,709,229.16	8,919,543.15	2,740,581.83	11,914,101.87	25,283,456.01
(2) Others	0.00	0.00	0.00	19,150.11	19,150.11
4. Balance as at June 30, 2025	5,998,194,247.39	21,060,679,225.66	127,088,958.15	1,695,131,453.13	28,881,093,884.33
III. Provision for impairment					
1. Balance as at January 1, 2025	29,974,546.99	310,862,119.51	97,160.87	33,921.79	340,967,749.16
2. Increase in the current period	0.00	0.00	0.00	0.00	0.00
(1) Provision	0.00	0.00	0.00	0.00	0.00
3. Decrease in the current period	0.00	0.00	21,065.69	0.00	21,065.69
(1) Disposal or scrapping	0.00	0.00	21,065.69	0.00	21,065.69
4. Balance as at June 30, 2025	29,974,546.99	310,862,119.51	76,095.18	33,921.79	340,946,683.47
IV. Book value					
1. Book value as at June 30, 2025	41,603,403,272.15	89,575,908,125.17	92,583,124.19	3,662,222,811.12	134,934,117,332.63
2. Book value as at January 1, 2025	39,345,052,985.35	84,069,494,721.22	105,050,141.93	3,778,866,627.69	127,298,464,476.19



**(2) Fixed assets with pending certificates of title**

Monetary Unit: RMB

Item	Book value	Reason for pending certificate of title
Buildings and constructions, etc.	3,396,433,231.54	In process

**14 Construction in progress**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Construction in progress	17,755,900,522.06	24,157,482,735.65
Project materials	526,271,492.30	869,341,730.13
Total	18,282,172,014.36	25,026,824,465.78

**(1) Construction in progress**

Monetary Unit: RMB

Project	Balance as at June 30, 2025			Balance as at January 1, 2025		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Phase II recycled differentiated and functional polyester filament yarn and supporting stretching project of Reborn Technology with an annual production capacity of 250,000 tons	190,360,506.92		190,360,506.92	722,538,602.85		722,538,602.85
Guowang (Suqian) Phase II super simulation functional fiber project with an annual production capacity of 500,000 tons	428,142,122.74		428,142,122.74	328,396,862.30		328,396,862.30
Hongwei Chemical POSM and Polyol Project	0.00		0.00	3,627,047,702.46		3,627,047,702.46
Hongjing New Material Project	6,863,191,312.33		6,863,191,312.33	10,179,281,315.24		10,179,281,315.24
Biodegradable material project (Phase I) of Hongke New	316,085,385.63	16,499,120.57	299,586,265.06	306,381,964.79	16,499,120.57	289,882,844.22

Project	Balance as at June 30, 2025			Balance as at January 1, 2025		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Material						
Polyester new material project of Honggang Petrochemical	1,326,670,935.84		1,326,670,935.84	1,288,773,919.25		1,288,773,919.25
Honggang Petrochemical 2.4 million tons/year purified terephthalic acid (PTA) Phase III Project	3,998,687,506.67		3,998,687,506.67	3,469,843,372.61		3,469,843,372.61
Supporting raw materials and iron phosphate and lithium iron phosphate new energy materials project of Haigesi New Energy	159,855,536.67		159,855,536.67	159,396,876.31		159,396,876.31
1.00 Million Tons/Year Acetic Acid Project	377,649,254.60		377,649,254.60	576,281,254.10		576,281,254.10
Rongtai Chemical Warehousing Phase 5	310,331,134.41		310,331,134.41	1,174,241,720.54		1,174,241,720.54
Others	3,801,425,946.82		3,801,425,946.82	2,341,798,265.77		2,341,798,265.77
Total	17,772,399,642.63	16,499,120.57	17,755,900,522.06	24,173,981,856.22	16,499,120.57	24,157,482,735.65

**(2) Changes in important construction in progress in the current period**

Monetary Unit: RMB

Item	Budget amount (RMB '0,000)	Balance as at January 1, 2025	Increase in the current period	Amount transferred into fixed assets in current period	Other decreases in the current period	Balance as at June 30, 2025	Proportion of accumulative project investments in budget	Project progress	Accumulated capitalized amount of interest	Including: capitalized amount of interest in the current period	Capitalization rate of interest in the current period (%)	Source of funds
Phase II recycled differentiated and functional polyester filament yarn and supporting stretching project of Reborn Technology with an annual production capacity of 250,000 tons	265,687.50	722,538,602.85	2,085,822.12	534,263,918.05		190,360,506.92	96.95%	Partial operation	81,599,348.34	1,523,438.09	4.42%	Self-owned fund + special loans
Guowang (Suqian) Phase II super simulation functional fiber project with an annual production capacity of 500,000 tons	353,794.00	328,396,862.30	115,999,202.02	16,253,941.58		428,142,122.74	18.87%	Under construction				Self-owned funds and borrowings
Hongwei Chemical POSM and Polyol Project	603,412.00	3,627,047,702.46	128,354,522.13	3,755,402,224.59			69.29%	Put into operation	103,085,054.31	13,604,054.21	3.61%	Self-owned fund + special loans

Item	Budget amount (RMB '0,000)	Balance as at January 1, 2025	Increase in the current period	Amount transferred into fixed assets in current period	Other decreases in the current period	Balance as at June 30, 2025	Proportion of accumulative project investments in budget	Project progress	Accumulated capitalized amount of interest	Including: capitalized amount of interest in the current period	Capitalization rate of interest in the current period (%)	Source of funds
Hongjing New Material Project	1,558,082.41	10,179,281,315.24	1,140,068,143.13	4,456,158,146.04		6,863,191,312.33	80.40%	Partial operation	417,882,852.61	104,124,185.41	2.46%	Self-owned fund + special loans
Biodegradable material project (Phase I) of Hongke New Material	648,188.56	306,381,964.79	9,703,420.84			316,085,385.63	5.07%	Suspended				Self-owned funds + borrowings
Polyester new material project of Honggang Petrochemical	137,898.52	1,288,773,919.25	37,897,016.59			1,326,670,935.84	114.30%	Partial operation	27,236,402.16	9,716,883.03	3.50%	Self-owned fund + special loans
Honggang Petrochemical 2.4 million tons/year purified terephthalic acid (PTA) Phase III Project	393,819.00	3,469,843,372.61	528,844,134.06			3,998,687,506.67	124.57%	Trial operation	58,123,850.56	24,376,348.05	4.85%	Self-owned fund + special loans
Supporting raw materials and iron phosphate and lithium iron phosphate new energy materials project of Haiges New Energy	1,539,971.03	159,396,876.31	458,660.36			159,855,536.67	1.25%	Under construction				Self-owned fund

Item	Budget amount (RMB '0,000)	Balance as at January 1, 2025	Increase in the current period	Amount transferred into fixed assets in current period	Other decreases in the current period	Balance as at June 30, 2025	Proportion of accumulative project investments in budget	Project progress	Accumulated capitalized amount of interest	Including: capitalized amount of interest in the current period	Capitalization rate of interest in the current period (%)	Source of funds
1.00 Million Tons/Year Acetic Acid Project	385,249.77	576,281,254.10	51,657,082.00	250,289,081.50		377,649,254.60	21.26%	Under construction				Self-owned fund
Rongtai Chemical Warehousing Phase 5	260,181.00	1,174,241,720.54	417,062,086.57	1,280,972,672.70		310,331,134.41	63.24%	Under construction	41,909,842.17	13,394,451.87	3.88%	Self-owned fund + special loans
Total		21,832,183,590.45	2,432,130,089.82	10,293,339,984.46		13,970,973,695.81			729,837,350.15	166,739,360.66		

**(3) Provision for impairment of construction in progress in the current period**

None

**(4) Impairment test of construction in progress**☐Applicable ☒Not applicable**(5) Project materials**

Monetary Unit: RMB

Item	Balance as at June 30, 2025			Balance as at January 1, 2025		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Project materials	526,271,492.30	0.00	526,271,492.30	869,341,730.13	0.00	869,341,730.13
Total	526,271,492.30	0.00	526,271,492.30	869,341,730.13	0.00	869,341,730.13

**15. Right-of-use assets****(1) Right-of-use assets**

Monetary Unit: RMB

Item	Buildings and constructions	Motor vehicles and other transportation equipment	Total
I. Original book value			
1. Balance as at January 1, 2025	2,029,808,542.07	1,358,554,210.96	3,388,362,753.03
2. Increase in the current period	52,571,094.80		52,571,094.80
3. Decrease in the current period	93,712.16	5,631,978.67	5,725,690.83
4. Balance as at June 30, 2025	2,082,285,924.71	1,352,922,232.29	3,435,208,157.00
II. Accumulated depreciation			
1. Balance as at January 1, 2025	298,014,345.74	7,075,800.11	305,090,145.85
2. Increase in the current period	55,447,328.95	42,410,918.40	97,858,247.35
(1) Provision	55,447,328.95	42,410,918.40	97,858,247.35
3. Decrease in the current period	79,803.64	161,431.15	241,234.79
(1) Disposal			
(2) Others	79,803.64	161,431.15	241,234.79
4. Balance as at June 30, 2025	353,381,871.05	49,325,287.36	402,707,158.41
III. Provision for impairment			

Item	Buildings and constructions	Motor vehicles and other transportation equipment	Total
1. Balance as at January 1, 2025			
2. Increase in the current period			
(1) Provision			
3. Decrease in the current period			
(1) Disposal			
4. Balance as at June 30, 2025			
IV. Book value			
1. Book value as at June 30, 2025	1,728,904,053.66	1,303,596,944.93	3,032,500,998.59
2. Book value as at January 1, 2025	1,731,794,196.33	1,351,478,410.85	3,083,272,607.18

## 16. Intangible assets

### (1) Breakdowns of intangible assets

Monetary Unit: RMB

Item	Land use right	Patent right	Software	Concessions (emission rights, coal replacement volume targets and sea area use rights)	Others	Total
I. Original book value						
1. Balance as at January 1, 2025	5,228,604,769.64	62,034,368.93	206,989,761.40	159,884,748.50	1,589,796.76	5,659,103,445.23
2. Increase in the current period	8,667,604.26		13,884,392.33			22,551,996.59
(1) Purchase	8,667,604.26		12,139,109.31			20,806,713.57
(2) Internal R&D						
(3) Increase due to business combination						
(4) Transfer-in of construction in progress			1,745,283.02			1,745,283.02

Item	Land use right	Patent right	Software	Concessions (emission rights, coal replacement volume targets and sea area use rights)	Others	Total
(5) Others						
3. Decrease in the current period						
(1) Disposal						
4. Balance as at June 30, 2025	5,237,272,373.90	62,034,368.93	220,874,153.73	159,884,748.50	1,589,796.76	5,681,655,441.82
II. Accumulated amortization						
1. Balance as at January 1, 2025	667,773,486.33	31,278,821.06	69,170,306.06	3,978,449.00	675,663.63	772,876,726.08
2. Increase in the current period	52,594,893.67	1,606,990.71	12,583,952.46		79,489.84	66,865,326.68
(1) Provision	52,594,893.67	1,606,990.71	12,583,952.46		79,489.84	66,865,326.68
(2) Increase due to business combination						
3. Decrease in the current period						
(1) Disposal						
4. Balance as at June 30, 2025	720,368,380.00	32,885,811.77	81,754,258.52	3,978,449.00	755,153.47	839,742,052.76
III. Provision for impairment						
1. Balance as at January 1, 2025						
2. Increase in the current period						
(1) Provision						
3. Decrease in the current period						



Item	Land use right	Patent right	Software	Concessions (emission rights, coal replacement volume targets and sea area use rights)	Others	Total
(1) Disposal						
4. Balance as at June 30, 2025						
IV. Book value						
1. Book value as at June 30, 2025	4,516,903,993.90	29,148,557.16	139,119,895.21	155,906,299.50	834,643.29	4,841,913,389.06
2. Book value as at January 1, 2025	4,560,831,283.31	30,755,547.87	137,819,455.34	155,906,299.50	914,133.13	4,886,226,719.15

**(2) Land use right with pending certificate of title**

None

**(3) Impairment test of intangible assets**☐Applicable ☒Not applicable**17. Goodwill****(1) Original book value of goodwill**

Monetary Unit: RMB

Name of the investee or matters forming goodwill	Balance as at January 1, 2025	Increase in the current period		Decrease in the current period		Balance as at June 30, 2025
		Amount formed through business combination	Others	Disposal	Others	
Original book value						
Reverse acquisition	1,008,696,223.14					1,008,696,223.14
Business combination not under common control	44,502,639.86					44,502,639.86
Sub-total	1,053,198,863.00					1,053,198,863.00
Provision for impairment						

Name of the investee or matters forming goodwill	Balance as at January 1, 2025	Increase in the current period		Decrease in the current period		Balance as at June 30, 2025
		Amount formed through business combination	Others	Disposal	Others	
Counter purchase	316,637,709.90					316,637,709.90
Business combination not under common control	0.00					0.00
Sub-total	316,637,709.90					316,637,709.90
Total	736,561,153.10					736,561,153.10

**(2) Provision for impairment of goodwill**

None

**(3) Information about the asset group or combination of asset groups in which goodwill is located**

None

**(4) Specific determination method of recoverable amount**

The recoverable amount is determined at fair value, net of disposal costs.

☐Applicable ☒Not applicable

The recoverable amount is determined at the present value of estimated future cash flows

☐Applicable ☒Not applicable**18. Long-term deferred expenses**

Monetary Unit: RMB

Item	Balance as at January 1, 2025	Increase in the current period	Amortization in the current period	Other decreases	Balance as at June 30, 2025
Others	2,478,240.80	293,970.63	760,931.11	0.00	2,011,280.32
Total	2,478,240.80	293,970.63	760,931.11	0.00	2,011,280.32

**19. Deferred income tax assets / deferred income tax liabilities****(1) Deferred income tax assets before offset**

Monetary Unit: RMB

Item	Balance as at June 30, 2025		Balance as at January 1, 2025	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for asset impairment	325,719,653.55	57,808,440.83	327,402,877.65	58,095,670.40

Item	Balance as at June 30, 2025		Balance as at January 1, 2025	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Unrealized profits of internal transactions	79,678,961.69	17,039,819.64	76,998,074.87	17,014,691.41
Undistributed deficit	12,097,196,683.79	2,657,219,741.24	11,044,459,372.47	2,453,562,021.36
Provision for credit impairment	109,609,547.51	21,281,602.77	102,970,149.82	20,145,281.18
Deferred income	889,351,578.29	168,906,282.46	850,778,010.78	158,064,840.94
Lease liabilities	3,130,262,098.47	640,840,136.51	2,962,674,728.18	526,113,261.44
Others	1,908,527,954.23	456,069,319.11	1,687,429,435.10	404,986,038.55
Total	18,540,346,477.53	4,019,165,342.56	17,052,712,648.87	3,637,981,805.28

**(2) Deferred income tax liabilities without offset**

Monetary Unit: RMB

Item	Balance as at June 30, 2025		Balance as at January 1, 2025	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Accelerated depreciation	4,178,251,172.35	660,698,085.37	3,698,488,327.08	569,563,756.41
Right-of-use assets	3,032,500,998.59	617,035,525.48	2,927,348,629.06	515,418,441.67
Gains or losses from changes in fair value of equity investments	91,922,540.00	22,980,635.00	162,151,230.94	40,537,807.74
Appreciation of business combination not under common control	410,141,959.11	101,989,893.18	424,183,638.10	105,484,871.48
Temporary difference arising from convertible bonds	329,922,239.24	82,480,559.82	428,120,243.19	107,030,060.80
Others	1,182,492,663.67	273,205,497.37	1,199,925,149.38	277,563,618.80
Total	9,225,231,572.96	1,758,390,196.22	8,840,217,217.75	1,615,598,556.90

**(3) Deferred income tax assets or liabilities presented by net amount after offset**

Monetary Unit: RMB

Item	Ending amount after mutual offset of deferred income tax assets and liabilities	Ending balance after offset of deferred income tax assets and liabilities	Beginning amount after mutual offset of deferred income tax assets and liabilities	Beginning balance after offset of deferred income tax assets and liabilities
Deferred income tax assets	1,186,807,231.40	2,832,358,111.16	1,107,606,927.91	2,530,374,877.37
Deferred income tax	1,186,807,231.40	571,582,964.82	1,107,606,927.91	507,991,628.99

liabilities				
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**(4) Breakdown of unrecognized deferred income tax assets**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Deductible temporary differences	45,908,395.18	46,852,451.74
Deductible losses	611,807,073.06	675,840,433.41
Total	657,715,468.24	722,692,885.15

**(5) Deductible losses of unrecognized deferred income tax assets will become due in the following years**

Monetary Unit: RMB

Year	Amount as at June 30, 2025	Amount as at January 1, 2025	Remark
Year 2025	95,367,661.29	110,172,777.95	
Year 2026	172,888,552.81	203,196,183.92	
Year 2027	75,306,539.09	123,267,565.68	
Year 2028	65,139,683.76	107,064,934.39	
Year 2029	115,338,888.00	132,138,971.47	
Year 2030	87,765,748.11		
Total	611,807,073.06	675,840,433.41	

**20. Other non-current assets**

Monetary Unit: RMB

Item	Balance as at June 30, 2025			Balance as at January 1, 2025		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Advances to suppliers for projects and equipment	1,918,518,733.69		1,918,518,733.69	2,521,178,872.31		2,521,178,872.31
Total	1,918,518,733.69		1,918,518,733.69	2,521,178,872.31		2,521,178,872.31

**21. Assets with restrictions on the ownership or use right**

Monetary Unit: RMB

Item	As at June 30, 2025	
	Book value	Type of restriction
Monetary funds	1,987,641,021.29	Restricted cash pledged for letters of credit and bank acceptance bills
Fixed assets	71,498,983,829.64	Mortgaged for obtaining the credit granting for financing from financial institutions
Intangible assets	2,611,362,055.95	Mortgaged for obtaining the credit granting for financing from financial institutions
Construction in	1,940,494,728.50	Mortgaged for obtaining the credit granting for financing

Item	As at June 30, 2025	
	Book value	Type of restriction
progress		from financial institutions
Accounts receivable	[Remark]	Pledged for obtaining the credit granting for financing from financial institutions
Total	78,038,481,635.38	

Remark: Within the scope of consolidation, the wholly-owned subsidiary Lianyungang Guanghong Industrial Co., Ltd. pledged the right of collection regarding the accounts receivable from related parties within the scope of consolidation to provide a guarantee for a bank loan of Lianyungang Guanghong Industrial Co., Ltd. As at June 30, 2025, the balance of accounts receivable of Lianyungang Guanghong Industrial Co., Ltd. from related parties within the scope of combination amounted to RMB 153 million.

## 22. Short-term borrowings

### (1) Classification of short-term borrowings

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Pledged borrowings	1,884,940,000.00	3,757,130,627.77
Mortgaged borrowings	2,506,145,462.15	2,513,552,215.64
Guaranteed borrowings	46,810,067,394.82	37,305,913,513.69
Credit borrowings	6,850,903,227.70	9,006,973,088.98
Interest on short-term borrowings	149,547,507.46	156,130,648.89
Less: interest adjustment	68,047,314.56	57,536,227.35
Total	58,133,556,277.57	52,682,163,867.62

### (2) Short-term borrowings overdue but not repaid

None

## 23. Financial liabilities held for trading

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Financial liabilities held for trading	21,737,146.20	0.00
Including:		
Derivative financial liabilities	21,737,146.20	0.00
Total	21,737,146.20	0.00

## 24. Notes payable

Monetary Unit: RMB

Category	Balance as at June 30, 2025	Balance as at January 1, 2025
Bank acceptance bills	85,305,815.32	0.00
Total	85,305,815.32	0.00

**25. Accounts payable****(1) Presentation of accounts payable**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Payables for goods	8,329,660,101.03	4,386,891,449.24
Payables for equipment and projects	9,012,852,284.69	9,863,882,231.03
Total	17,342,512,385.72	14,250,773,680.27

**(2) Significant accounts payable with aging over 1 year or overdue**

Monetary Unit: RMB

Project	Balance as at June 30, 2025	Reason for failure in repayment or carry-forward
Sinopec Tenth Construction Co., Ltd.	109,738,417.34	Project payment not yet settled
China Petroleum First Construction Co., Ltd.	247,101,328.32	Project payment not yet settled
Total	356,839,745.66	

**26. Other payables**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Dividends payable	830,990.60	830,990.60
Other payables	1,400,622,990.17	300,373,540.81
Total	1,401,453,980.77	301,204,531.41

**(1) Dividends payable**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Common stock dividends	830,990.60	830,990.60
Total	830,990.60	830,990.60

**(2) Other payables****1) Presentation of other payables by nature**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Margin, deposit and security	249,416,710.48	260,759,697.95
Withholding expenses	10,991,460.84	15,207,357.30
Amounts collected on behalf of third parties and intercompany balances	1,135,345,165.93	17,163,312.53
Others	4,869,652.92	7,243,173.03

Total	1,400,622,990.17	300,373,540.81
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**2) Other important payables with aging over one year or overdue**

None

**27. Advances from customers****(1) Presentation of advances from customers**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Advances from customers	24,234,328.44	32,388,603.72
Total	24,234,328.44	32,388,603.72

**(2) Important advances from customers with aging over one year or overdue**

None

**28. Contract liabilities**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Advances from customers	2,209,167,566.01	2,484,508,305.51
Total	2,209,167,566.01	2,484,508,305.51

Important contract liabilities with aging over one year

None

**29. Employee compensation payable****(1) Presentation of employee compensation payable**

Monetary Unit: RMB

Item	Balance as at January 1, 2025	Increase in the current period	Decrease in the current period	Balance as at June 30, 2025
I. Short-term compensation	481,079,316.69	2,050,914,927.93	2,233,298,088.65	298,696,155.97
II. Post-employment benefits - defined contribution plans	4,436,036.59	147,911,033.34	144,972,704.74	7,374,365.19
III. Dismissal benefits	0.00	11,662,956.05	11,662,956.05	0.00
Total	485,515,353.28	2,210,488,917.32	2,389,933,749.44	306,070,521.16

**(2) Presentation of short-term compensation**

Monetary Unit: RMB

Item	Balance as at January 1, 2025	Increase in the current period	Decrease in the current period	Balance as at June 30, 2025
1. Salaries, bonuses, allowances and subsidies	480,379,064.61	1,754,851,643.88	1,937,508,314.37	297,722,394.12

Item	Balance as at January 1, 2025	Increase in the current period	Decrease in the current period	Balance as at June 30, 2025
2. Employee welfare fees	345,812.17	154,044,646.88	154,029,383.64	361,075.41
3. Social insurance premiums	112,564.82	78,877,410.10	78,586,424.21	403,550.71
Including: medical insurance premium	92,736.00	62,264,636.74	62,267,945.94	89,426.80
Work-related injury insurance premium	11,391.37	8,596,557.46	8,302,158.87	305,789.96
Maternity insurance premium	6,955.20	7,801,003.31	7,801,251.78	6,706.73
Other insurance premiums	1,482.25	215,212.59	215,067.62	1,627.22
4. Housing provident funds	72,745.00	60,584,710.98	60,576,730.98	80,725.00
5. Labor union expenditures and employee education funds	169,130.09	2,556,516.09	2,597,235.45	128,410.73
Total	481,079,316.69	2,050,914,927.93	2,233,298,088.65	298,696,155.97

**(3) Presentation of defined contribution plans**

Monetary Unit: RMB

Item	Balance as at January 1, 2025	Increase in the current period	Decrease in the current period	Balance as at June 30, 2025
1. Basic endowment insurance premiums	367,947.37	143,364,941.96	140,516,378.89	3,216,510.44
2. Unemployment insurance premiums	5,477.17	4,546,091.38	4,456,325.85	95,242.70
3. Others	4,062,612.05			4,062,612.05
Total	4,436,036.59	147,911,033.34	144,972,704.74	7,374,365.19

**30. Taxes and surcharges payable**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
VAT	8,607,579.29	50,648,240.49
Consumption tax	340,259,396.28	715,263,804.90
Enterprise income tax	96,994,279.43	39,096,812.43
Individual income tax	8,981,104.33	12,086,193.48
Urban maintenance and construction tax	25,430,389.93	52,920,212.49
Educational surtax	18,278,975.27	38,284,290.29
House property tax	28,963,993.03	27,293,270.99



Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Land use tax	9,812,153.38	10,354,843.71
Stamp duty	28,149,425.33	31,035,405.76
Environmental protection tax	1,934,817.71	1,928,252.35
Water resource tax	534,296.68	22,007.78
Total	567,946,410.66	978,933,334.67

**31. Non-current liabilities maturing within one year**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Long-term borrowings maturing within one year	19,295,068,307.90	19,002,667,074.96
Long-term payables maturing within one year	1,631,270,668.17	1,176,199,717.69
Lease liabilities maturing within one year	262,774,362.17	241,740,913.93
Interest on long-term borrowings where the interest is paid by stages and the principal is repaid at expiration	77,649,732.77	90,015,202.16
Interest on bonds payable with interest paid by installments and principal paid at maturity	24,891,861.12	58,534,091.50
Total	21,291,654,932.13	20,569,157,000.24

**32. Other current liabilities**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Output tax to be carried forward	274,829,554.53	314,452,670.54
Total	274,829,554.53	314,452,670.54

**33. Long-term borrowings****(1) Classification**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Pledged borrowings	33,758,341,401.92	35,489,812,706.20
Mortgaged borrowings	18,679,093,477.27	19,739,900,266.59
Guaranteed borrowings	6,926,274,930.86	5,964,664,474.61
Credit borrowings	190,000,000.00	0.00
Less: interest adjustment	206,447,523.93	205,944,783.07
Total	59,347,262,286.12	60,988,432,664.33

**34. Bonds payable****(1) Bonds payable**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Convertible corporate bonds	4,667,567,160.76	4,569,453,956.81
Total	4,667,567,160.76	4,569,453,956.81

**(2) Increase/decrease of bonds payable (excluding preferred shares, perpetual bonds and other financial instruments divided into the financial liabilities)**

Monetary Unit: RMB

Bond name	Par value	Coupon rate	Date of issue	Term of bond	Amount issued	Balance as at January 1, 2025	Bonds issued in the current period	Interest accrued at par value	Amortization of premiums or discounts	Repayment in the current period	Conversion into shares in the current period	Balance as at June 30, 2025	Default or not
Shenghong Convertible Bond	100.00	0.2%-2%	March 22, 2021	6 years	5,000,000,000.00	4,569,453,956.81	0	41,321,174.12	98,192,024.01	1,762.28	77,057.78	4,667,567,160.76	No
Total	-				5,000,000,000.00	4,569,453,956.81	0	41,321,174.12	98,192,024.01	1,762.28	77,057.78	4,667,567,160.76	No

**(3) Description of convertible corporate bonds**

As approved by the *Official Reply of the China Securities Regulatory Commission on Approving Jiangsu Eastern Shenghong Co., Ltd. to Publicly Issue Convertible Corporate Bonds* (ZJXK [2021] No.512), the Company publicly issued 50.00 million pieces of convertible corporate bonds with the nominal value of RMB 100 on March 22, 2021. These convertible corporate bonds amount to RMB 5,000.00 million, and are called "Shenghong Convertible Bonds" for short, with the bond code of "127030". The nominal interest rates of these convertible corporate bonds issued this time are: 0.20% in the first year, 0.40% in the second year, 0.60% in the third year, 1.50% in the fourth year, 1.80% in the fifth year, and 2.00% in the sixth year. Relevant interest is paid once a year, and the principal and the interest in the last year should be returned when these bonds are due. The term of these bonds will last for six years from the date of issue, i.e. From March 22, 2021 to March 21, 2027. The term for conversion is from the first trading day (September 27, 2021) six months after the ending date (March 26, 2021) for issuing these bonds to the mature date (March 21, 2027) of these bonds, and the initial price for the conversion of these bonds into shares is RMB 14.20 per share. After the issue of convertible bonds, the conversion price should be adjustment accordingly in case of any stock dividend allocation, conversion into share capital, new shares issued, allotment of shares and cash dividend allocation.

**35. Lease liabilities**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Payables for leases	4,328,530,953.22	4,372,700,630.75
Less: unrecognized financing expenses	1,198,268,854.75	1,250,905,865.92
Less: lease liabilities maturing within one year	262,774,362.17	241,740,913.93
Total	2,867,487,736.30	2,880,053,850.90

**36. Long-term payables**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Accounts payable for finance lease	5,743,717,978.17	4,803,686,057.66
Less: unrecognized financing expenses	286,474,098.06	253,815,684.32
Less: the part maturing within one year	1,631,270,668.17	1,176,199,717.69
Total	3,825,973,211.94	3,373,670,655.65

**37. Estimated liabilities**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025	Forming reason
Estimated losses on contracts	7,194,735.20	7,194,735.20	Expected contract losses
Total	7,194,735.20	7,194,735.20	

**38. Deferred income**

Monetary Unit: RMB

Item	Balance as at January 1, 2025	Increase in the current period	Decrease in the current period	Balance as at June 30, 2025	Forming reason
Government grants	2,400,104,976.66	59,045,694.00	57,049,291.32	2,402,101,379.34	Received government grants related to assets
Total	2,400,104,976.66	59,045,694.00	57,049,291.32	2,402,101,379.34	

**39. Other non-current liabilities**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Long-term house rent	11,845,937.98	14,345,006.56
Total	11,845,937.98	14,345,006.56

**40. Share capital**

Monetary Unit: RMB

	Balance as at January 1, 2025	Changes during the current period ("+", "-")					Balance as at June 30, 2025
		New shares issued	Share donation	Conversion of capital reserves into share capital	Others	Sub-total	
Total shares	9,599,621,415.16				6,267.00	6,267.00	9,599,627,682.16

**41. Other equity instruments****(1) Preferred shares, perpetual debt and other financial instruments issued at the end of the current period**

As approved by the *Official Reply of the China Securities Regulatory Commission on Approving Jiangsu Eastern Shenghong Co., Ltd. to Publicly Issue Convertible Corporate Bonds* (ZJXK [2021] No.512), the Company publicly issued 50.00 million pieces of convertible corporate bonds with the nominal value of RMB 100 on March 22, 2021. These convertible corporate bonds amount to RMB 5,000.00 million, and are called "Shenghong Convertible Bonds" for short, with the bond code of "127030". The nominal interest rates of these convertible corporate bonds issued this time are: 0.20% in the first year, 0.40% in the second year, 0.60% in the third year, 1.50% in the fourth year, 1.80% in the fifth year, and 2.00% in the sixth year. Relevant interest is paid once a year, and the principal and the interest in the last year should be returned when these bonds are due. The term of these bonds will last for six years from the date of issue, i.e. From March 22, 2021 to March 21, 2027. The term for conversion is from the first trading day (September 27, 2021) six months after the ending date (March 26, 2021) for issuing these bonds to the mature date (March 21, 2027) of these bonds, and the initial price for the conversion of these bonds into shares is RMB 14.20 per share. After the issue of convertible bonds, the conversion price should be adjustment accordingly in case of any stock dividend allocation, conversion into share capital, new shares issued, allotment of shares and cash dividend allocation.

**(2) Information on changes in such financial instruments as preferred stocks and perpetual bonds, outstanding at the end of the period**

Monetary Unit: RMB

Outstanding financial instruments	As at January 1, 2025		Increase in the current period		Decrease in the current period		As at June 30, 2025	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value

Outstanding financial instruments	As at January 1, 2025		Increase in the current period		Decrease in the current period		As at June 30, 2025	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Shenghong Convertible Bond	49,975,742.00	906,737,326.76			848.00	15,385.73	49,974,894.00	906,721,941.03
Total	49,975,742.00	906,737,326.76			848.00	15,385.73	49,974,894.00	906,721,941.03

Changes in other equity instruments during the current period, explanation of the reasons for such changes, and the basis for the related accounting treatment:

The decrease in the current period of other equity instruments, amounting to RMB 15,385.73, was caused by the the conversion of Shenghong Convertible Corporate Bond into shares.

## 42. Capital reserves

Monetary Unit: RMB

Item	Balance as at January 1, 2025	Increase in the current period	Decrease in the current period	Balance as at June 30, 2025
Capital (share capital) premium	19,267,313,634.89	214,537,428.38		19,481,851,063.27
Other capital reserves	11,441,095.89			11,441,095.89
Total	19,278,754,730.78	214,537,428.38		19,493,292,159.16

Changes in the current period and causes thereof:

(1) The increase in the current period of capital (share capital) premium of the Company, amounting to RMB 214,451,831.70, was caused by the transaction in a subsidiary during the reporting period, for which the shares of owners' equity of such subsidiary changed and the control over such subsidiary remained unchanged.

(2) The increase in the current period of capital (share capital) premium of the Company, amounting to RMB 85,596.68, was caused by the increase in capital reserves under the conversion of the Company's "Shenghong Convertible Bonds" into shares in the current period.

## 43. Other comprehensive income

Monetary Unit: RMB

Item	Balance as at January 1, 2025	Current period						Balance as at June 30, 2025
		Amount before income tax in the current period	Less: amount previously included in other comprehensive income and currently transferred to the profit or loss	Less: amount previously included in other comprehensive income and currently transferred to the retained earnings	Less: income tax expenses	Amount after tax attributable to the company	Amount after tax attributable to minority shareholders	
I. Other comprehensive income that will not to be reclassified to profit and loss	68,941,905.00							68,941,905.00
Changes in fair value of other equity instrument investments	68,941,905.00							68,941,905.00

Item	Balance as at January 1, 2025	Current period						Balance as at June 30, 2025
		Amount before income tax in the current period	Less: amount previously included in other comprehensive income and currently transferred to the profit or loss	Less: amount previously included in other comprehensive income and currently transferred to the retained earnings	Less: income tax expenses	Amount after tax attributable to the company	Amount after tax attributable to minority shareholders	
II. Other comprehensive income that will be reclassified into profit or loss	20,224,970.13	-47,999,628.51				-47,999,628.51		-27,774,658.38
Cash flow hedging reserve		-42,395,422.64				-42,395,422.64		-42,395,422.64
Differences arising from translation of foreign-currency financial statements	20,224,970.13	-5,604,205.87				-5,604,205.87		14,620,764.26
Total of other comprehensive income	89,166,875.13	-47,999,628.51				-47,999,628.51		41,167,246.62

**44. Special reserves**

Monetary Unit: RMB

Item	Balance as at January 1, 2025	Increase in the current period	Decrease in the current period	Balance as at June 30, 2025
Work safety expenses	86,108,201.09	187,890,763.47	230,442,552.48	43,556,412.08
Total	86,108,201.09	187,890,763.47	230,442,552.48	43,556,412.08

**45. Surplus reserves**

Monetary Unit: RMB

Item	Balance as at January 1, 2025	Increase in the current period	Decrease in the current period	Balance as at June 30, 2025
Statutory surplus reserves	629,926,949.95			629,926,949.95
Total	629,926,949.95			629,926,949.95

**46. Retained earnings**

Monetary Unit: RMB

Item	Current period	Prior period
Retained earnings at the end of the prior period before the adjustment	3,443,519,405.76	6,421,996,498.50
Adjustment to total retained earnings as at the beginning of the period (+ for increase and - for decrease)	0.00	0.00
Retained earnings at the beginning	3,443,519,405.76	6,421,996,498.50

Item	Current period	Prior period
of the period after adjustment		
Plus: net profit attributable to owners of the company in the current period	386,245,051.32	318,574,372.31
Less: withdrawal of statutory surplus reserves	0.00	0.00
Withdrawal of discretionary surplus reserves	0.00	0.00
Withdrawal of general risk reserves	0.00	0.00
Common stock dividends payable	0.00	661,121,445.00
Retained earnings at the end of the period	3,829,764,457.08	6,079,449,425.81

**47. Operating income and operating costs**

Monetary Unit: RMB

Item	Current period		Prior period	
	Income	Costs	Income	Costs
Primary business	60,290,141,624.93	54,237,288,926.58	69,258,054,427.21	61,649,200,467.48
Other business	626,277,109.64	501,404,915.23	3,575,507,171.46	3,453,118,169.93
Total	60,916,418,734.57	54,738,693,841.81	72,833,561,598.67	65,102,318,637.41

**48. Taxes and surcharges**

Monetary Unit: RMB

Item	Current period	Prior period
Consumption tax	3,066,438,572.07	3,470,608,812.69
Urban maintenance and construction tax	233,430,305.05	254,842,695.83
Educational surtax	167,231,977.15	182,537,501.74
House property tax	62,107,719.78	55,205,218.92
Land use tax	18,890,219.47	18,693,095.32
Vehicle and vessel use tax	32,887.24	54,320.38
Stamp tax	57,446,511.03	63,920,460.93
Environmental protection tax	4,098,647.76	4,610,871.80
Others	1,112,206.42	97,192.14
Total	3,610,789,045.97	4,050,570,169.75

**49. General and administrative expenses**

Monetary Unit: RMB

Item	Current period	Prior period
Employee compensation	235,636,471.62	258,259,658.93



Item	Current period	Prior period
Service expense	75,499,447.92	56,154,207.80
Depreciation and amortization	87,712,784.01	66,070,973.96
Others	81,041,144.42	93,515,034.74
Total	479,889,847.97	473,999,875.43

**50. Selling and distribution expenses**

Monetary Unit: RMB

Item	Current period	Prior period
Employee compensation	53,782,756.00	57,291,853.34
Warehousing expenses	66,181,075.78	78,073,681.88
Others	31,007,693.13	17,471,269.79
Total	150,971,524.91	152,836,805.01

**51. Research and development expenses**

Monetary Unit: RMB

Item	Current period	Prior period
Technology research and development expenses	329,015,932.61	472,476,489.53
Total	329,015,932.61	472,476,489.53

**52. Financial expenses**

Monetary Unit: RMB

Item	Current period	Prior period
Interest expenses	2,330,154,324.38	2,467,947,309.60
Less: interest income	94,214,802.51	78,181,899.96
Profit or loss on foreign exchange	-20,578,296.99	-34,374,437.36
Handling fees and others	70,715,714.44	67,894,265.15
Total	2,286,076,939.32	2,423,285,237.43

**53. Other income**

Monetary Unit: RMB

Source of other income	Current period	Prior period
Government grants	109,230,175.00	84,030,408.46
Additional deduction of input tax	955,167,065.81	171,628,177.91
Handling charges for withdrawal of individual income tax	2,581,071.13	2,574,098.53
Total	1,066,978,311.94	258,232,684.90

**54. Gains from changes in fair value**

Monetary Unit: RMB

Sources of gains from changes in fair value	Current period	Prior period
Financial assets held for trading	71,361,227.00	8,258,021.78
Total	71,361,227.00	8,258,021.78

**55. Investment income**

Monetary Unit: RMB

Item	Current period	Prior period
Income from long-term equity investments calculated under equity method	457,008.02	-3,571,499.26
Investment income from financial assets held for trading during the holding period		2,524,209.48
Investment income from disposal of financial assets held for trading	-2,145,451.64	8,227,526.60
Income recognized by the equity method instead of the cost method		114,908,632.25
Total	-1,688,443.62	122,088,869.07

**56. Losses from credit impairment**

Monetary Unit: RMB

Item	Current period	Prior period
Losses from bad debts of accounts receivable	-4,863,995.31	-28,161,655.49
Losses from bad debts of other receivables	-2,207,887.39	5,096,270.32
Total	-7,071,882.70	-23,065,385.17

**57. Losses from asset impairment**

Monetary Unit: RMB

Item	Current period	Prior period
I. Losses from inventory depreciation and losses from impairment of contract performance cost	-218,627,947.50	-580,066,394.73
Total	-218,627,947.50	-580,066,394.73

**58. Gains from disposal of assets**

Monetary Unit: RMB

Source of gains from disposal of assets	Current period	Prior period
Gains from disposal of non-current assets	-430,709.05	49,172,806.50

**59. Non-operating income**

Monetary Unit: RMB

Item	Current period	Prior period	Amount included in non-recurring profit or loss in the current period
Income from indemnity and fines	17,841,847.94	22,629,692.96	17,841,847.94
Payments not required to be paid	3,933,887.21	378,657.81	3,933,887.21
Others	1,359,297.52	5,529,832.72	1,359,297.52
Total	23,135,032.67	28,538,183.49	23,135,032.67

**60. Non-operating expenditures**

Monetary Unit: RMB

Item	Current period	Prior period	Amount included in non-recurring profit or loss in the current period
External donations	34,406.00	22,000.00	34,406.00
Expenditures on compensation, fines and overdue fines	3,780,616.19	1,066,212.87	3,780,616.19
Losses from the damage and scrapping of non-current assets	7,894,606.25	771,189.07	7,894,606.25
Others	42,108.26	656,220.05	42,108.26
Total	11,751,736.70	2,515,621.99	11,751,736.70

**61. Income tax expenses****(1) Table of income tax expenses**

Monetary Unit: RMB

Item	Current period	Prior period
Current income tax expenses	85,818,584.31	136,031,757.59
Deferred income tax expenses	-230,949,732.71	-421,279,087.42
Total	-145,131,148.40	-285,247,329.83

**(2) Adjustment process of accounting profits and income tax expenses**

Monetary Unit: RMB

Item	Current period
Total profits	242,885,454.02
Income tax expenses calculated at statutory / applicable tax rate	60,721,363.54
Effect of different tax rates applicable to subsidiaries	-25,941,142.26
Effect of adjustments to the income tax for the prior	1,820,550.27

Item	Current period
years	
Effect of non-taxable income	-10,559,783.81
Effect of non-deductible costs, expenses and losses	19,522,108.20
Effect of deductible losses from using the deferred income tax assets unrecognized in previous periods	-59,235.57
Effect of deductible temporary differences or losses from deferred income tax assets unrecognized in the current period	24,717,240.55
Effect of additional deduction of research and development expenses	-120,078,404.27
Others	-95,273,845.05
Income tax expenses	-145,131,148.40

## 62. Other comprehensive income

See note 43 for details.

## 63. Items in the statement of cash flows

### (1) Cash received from other operating activities

Cash received from other operating activities

Monetary Unit: RMB

Item	Current period	Prior period
Government grants	57,092,661.37	104,623,263.03
Interest	94,505,201.68	77,671,541.66
Current amounts	223,646,838.35	171,708,214.06
Non-operating income	11,285,020.16	4,817,739.38
Recovery of restricted funds	4,068,073,479.17	5,880,084,078.15
Employee shareholding payments received	59.00	142,510,000.00
Total	4,454,603,259.73	6,381,414,836.28

Cash paid for other operating activities

Monetary Unit: RMB

Item	Current period	Prior period
Current amounts	348,687,984.50	655,483,349.98
Expenditure on selling and distribution expenses and general and administrative expenses	151,342,842.03	179,379,992.36
Financial expenses	69,371,095.17	96,713,982.66
Non-operating expenses and others	2,628,784.18	2,264,494.96
Expenditure on restricted funds	4,256,492,778.84	5,299,415,590.66
Employee shareholding payments	0.00	142,810,000.00

Item	Current period	Prior period
received		
Total	4,828,523,484.72	6,376,067,410.62

**(2) Cash received from other investing activities**

Cash received from other investing activities

Monetary Unit: RMB

Item	Current period	Prior period
Recovery of restricted funds (Investment)	99,950,864.08	291,031,013.88
Others	271,275.76	611,932.61
Total	100,222,139.84	291,642,946.49

Cash paid for other investing activities

Monetary Unit: RMB

Item	Current period	Prior period
Expenditure on restricted funds	253,798,772.62	173,508,932.34
Total	253,798,772.62	173,508,932.34

**(3) Cash received from other financing activities**

Cash received from other financing activities

Monetary Unit: RMB

Item	Current period	Prior period
Capital of related parties	199,850,000.00	0.00
Finance lease	1,593,791,000.00	3,325,920,146.40
After-sales repurchase	1,123,641,186.12	
Security deposit for finance lease	116,000,000.00	
Total	3,033,282,186.12	3,325,920,146.40

Cash paid for other financing activities

Monetary Unit: RMB

Item	Current period	Prior period
Capital of related parties	199,850,000.00	348,000,000.00
Finance lease	813,770,173.53	1,105,502,071.20
Payments made by subsidiaries under the business combination under common control	0.00	43,205,910.32
Rental expense of right-of-use assets	106,713,569.10	114,830,313.81
Security deposit for finance lease	178,000,000.00	
Others	0.00	8,989,018.24

Item	Current period	Prior period
Total	1,298,333,742.63	1,620,527,313.57

Changes in various liabilities arising from financing activities

☒Applicable ☐Not applicable

Monetary Unit: RMB

Item	Balance as at January 1, 2025	Increase in the current period		Decrease in the current period		Balance as at June 30, 2025
		Cash change	Non-cash change	Cash change	Non-cash change	
Bank borrowings	132,763,278,809.06	50,440,888,754.36	3,699,358,008.16	50,049,988,967.22		136,853,536,604.36
Other payables - dividends payable	830,990.60		291,280,000.00	291,280,000.00		830,990.60
Other payables - after-sales repurchase		1,123,641,186.12			3,068,090.51	1,120,573,095.61
Other payables - Shenghong Technology		199,850,000.00	181,455.89	200,031,455.89		
Bonds payable	4,627,988,048.31		139,519,040.35	74,965,166.78	82,900.00	4,692,459,021.88
Lease liabilities (including the part maturing within one year)	3,121,794,764.83		132,187,706.76	106,713,569.10	17,006,804.02	3,130,262,098.47
Long-term payables (including the part maturing within one year)	4,549,870,373.34	1,593,791,000.00	129,073,636.22	813,770,173.53	1,720,955.92	5,457,243,880.11
Total	145,063,762,986.14	53,358,170,940.48	4,391,599,847.38	51,536,749,332.52	21,878,750.45	151,254,905,691.03

#### (4) Description of cash flows presented at net amount

None

#### (5) Significant activities and financial effect not involving with the current cash deposit and withdrawal but affecting the financial position of the enterprise or affecting the cash flow of the enterprise in the future

Monetary Unit: RMB

Item	Current period	Prior period
Payment for goods via the transfer of endorsed bills	528,880,359.62	365,108,044.42
Payment for the purchase of fixed assets and other long-term assets via the transfer	501,460,329.39	306,641,313.62

Item	Current period	Prior period
of endorsed bills		

#### 64. Supplementary information on the statement of cash flows

##### (1) Supplementary information on the statement of cash flows

Monetary Unit: RMB

Supplementary information	Current period	Prior period
1. Net profit adjusted to cash flows from operating activities:		
Net profit	388,016,602.42	303,964,877.79
Plus: losses from credit impairment	7,071,882.70	23,065,385.17
Provision for asset impairment	218,627,947.50	580,066,394.73
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	3,722,048,455.18	3,474,306,084.81
Depreciation of right-of-use assets	89,726,393.92	41,687,503.19
Amortization of intangible assets	54,918,618.71	51,292,538.99
Amortization of long-term deferred expenses	760,931.11	884,983.57
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	430,709.05	-49,172,806.50
Losses from scrapping of fixed assets ("-" for gains)	7,806,283.42	726,732.10
Losses from changes in fair value ("-" for gains)	-71,361,227.00	-8,258,021.78
Financial expenses ("-" for gains)	2,261,718,834.00	2,399,948,611.94
Investment losses ("-" for gains)	-6,219,961.41	-123,964,506.14
Decreases in deferred income tax assets ("-" for increases)	-301,983,233.79	-428,564,709.28
Increases in deferred income tax liabilities ("-" for decreases)	63,591,335.83	7,285,621.89
Decreases in inventories ("-" for increases)	-4,142,593,438.71	-5,816,243,770.02
Decreases in operating receivables ("-" for increases)	-6,096,004,315.09	-2,402,116,628.26
Increases in operating payables ("-" for decreases)	6,657,191,895.43	4,009,034,423.26
Others	-42,551,789.01	-43,514,809.90
Net cash flows from operating activities	2,811,195,924.26	2,020,427,905.56
2. Significant investing and financing activities not involving		

Supplementary information	Current period	Prior period
cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	13,376,255,601.99	7,657,421,544.03
Less: beginning balance of cash	12,009,784,562.13	6,386,357,048.67
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	1,366,471,039.86	1,271,064,495.36

**(2) Composition of cash and cash equivalents**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
I. Cash	13,376,255,601.99	12,009,784,562.13
Including: cash on hand	14,777.18	9,053.74
Unrestricted bank deposits	13,192,242,059.10	11,813,476,954.86
Other unrestricted monetary funds	183,998,765.71	196,298,553.53
III. Ending balance of cash and cash equivalents	13,376,255,601.99	12,009,784,562.13

**(3) Monetary funds not belonging to cash and cash equivalents**

Monetary Unit: RMB

Item	Amount as at June 30, 2025	Amount as at January 1, 2025	Reasons for not belonging to cash and cash equivalents
Bank acceptance bill deposit	194,049,168.02	135,888,004.96	Not available for immediate use
L/C deposit	1,386,643,721.60	1,193,359,392.76	Not available for immediate use
L/G deposit	199,358,024.48	117,350,107.00	Not available for immediate use
Time deposits or call deposits used for guarantee		144,000,000.00	Not available for immediate use
Other restricted funds	207,590,107.19	36,064,916.22	Other restricted funds
Total	1,987,641,021.29	1,626,662,420.94	



**65. Monetary items in foreign currency****(1) Monetary items in foreign currency**

Monetary Unit: RMB

Item	Balance in foreign currency as at June 30, 2025	Exchange rate for translation	Amount in RMB as at June 30, 2025
Monetary funds			
Including: USD	285,713,378.39	7.1586	2,045,307,762.85
EUR	3,089,379.73	8.4024	25,958,204.24
HKD	44.08	0.9120	40.20
JPY	16.00	0.0496	0.79
SGD	1,282,549.14	5.6111	7,196,469.85
Accounts receivable			
Including: USD	326,116,083.29	7.1586	2,334,534,593.83
EUR	48,913.92	8.4024	410,994.32
Other receivables			
Including: USD	25.00	7.1586	178.97
SGD	225,532.20	5.6111	1,265,476.40
Accounts payable			
Including: USD	489,953,722.36	7.1586	3,507,382,716.81
EUR	12,319,159.80	8.4024	103,510,508.30
JPY	6,307,793.00	0.0496	312,828.69
Other payables			
Including: USD	156,946,938.07	7.1586	1,123,520,351.02
SGD	120.00	5.6111	673.33
Non-current liabilities maturing within one year			
Including: USD	10,020,113.88	7.1586	71,729,987.22
EUR	2,292,127.40	8.4024	19,259,371.28
Long-term borrowings			
Including: USD			
EUR	12,200,517.57	8.4024	102,513,628.82

**(2) Explanation to overseas operating entities, for important overseas operating entities, their principal overseas place of business, functional currency and basis for selection as well as the reason for change in functional currency (if any) should be disclosed**

☒Applicable ☐Not applicable

Company	Main business place	Functional currency	Basis for selection
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Company	Main business place	Functional currency	Basis for selection
Shenghong Petrochemical (Singapore) International Co., Ltd.	Singapore	USD	The currency in the main economic environment in which it operates is USD
Shenghong Shipping (Singapore) International Co., Ltd.	Singapore	USD	The currency in the main economic environment in which it operates is USD

## 66. Leases

### (1) The Company as the lessee

☒Applicable ☐Not applicable

Monetary Unit: RMB

Item	Current period	Prior period
Interest expenses on lease liabilities	66,110,023.61	32,449,386.60
Expense on short-term lease under simplified treatment and included in the assets-related cost or the current profit or loss	13,986,228.95	3,727,831.43
Expense on the lease of low-value assets under simplified treatment and included in the assets-related cost or the current profit or loss (except for the expense on short-term lease of low-value assets)	-	23,774,462.52
Total cash outflows relevant to leases	127,245,103.11	161,826,548.35

Sale-and-leaseback deals

None

### (2) The Company as the lessor

Operating lease of the Company as the lessor

☒Applicable ☐Not applicable

Monetary Unit: RMB

Item	Lease revenue	Including: revenue relevant to variable lease payment not included in lease receipts
Revenue from operating leases	33,788,250.08	0.00
Total	33,788,250.08	0.00

Finance lease of the Company acting as the lessor

☐Applicable ☒Not applicable

Annual undiscounted lease payments in the next five years

☒Applicable ☐Not applicable

Undiscounted lease receipts that will be collected after the balance sheet date:

Monetary Unit: RMB

Remaining lease term	Current period	Amount as at January 1, 2025
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Within 1 year	29,937,155.92	32,820,020.96
1 - 2 years	10,124,586.60	9,858,252.11
2 - 3 years	3,180,930.20	8,255,388.32
3 - 4 years	2,954,930.20	2,711,523.12
4 - 5 years	2,954,930.20	2,711,523.12
Over 5 years	31,366,630.20	29,656,752.65
Total	80,519,163.32	86,013,460.28

Reconciliation of undiscounted lease receipts to net lease investments: None.

## VIII. Research and development expenses

Monetary Unit: RMB

Item	Current period	Prior period
Investments in research and development	2,952,588,080.85	2,913,077,166.05
Total	2,952,588,080.85	2,913,077,166.05

### 1、Research and development projects qualified for capitalization

None

### 2. Important outsourcing ongoing research projects

None

## IX. Changes in the scope of consolidation

### 1. Business combination not under common control

None

### 2. Business combination under common control

None

### 3. Counter purchase

None

### 4. Disposal of subsidiaries

Whether the transaction or matter where the Company lost the control over subsidiaries existed during the current period

☐ Yes ☒ No

Whether there is a situation where the investments in subsidiaries are gradually disposed of via multiple transactions and the control over those subsidiaries is lost in the current period

☐ Yes ☒ No

### 5. Changes in the scope of consolidation for other reasons

Description of changes in the scope of consolidation caused by other reasons (such as the establishment of new subsidiaries and liquidation of subsidiaries):

(1) Subsidiaries and other operating entities newly included in the scope of consolidation in the current period

Company	Date of inclusion	Relationship with the Company	Reason for inclusion
Jiangsu Ruikong Technology Co., Ltd.	February 2025	A wholly-owned subsidiary	Newly-established

(2) Subsidiaries and other operating entities ceased to be included in the scope of consolidation in the current period due to other reasons

Company	Date of establishment	Time-point for equity withdrawal	Basis of time-point for equity withdrawal
Jiangsu Shenghong Fiber Testing Co., Ltd.	December 2006	April 2025	The cancellation of such company was completed in April 2025.
Jiangsu Shengze Dongfang Hengchuang Energy Co., Ltd.	August 2016	February 2025	The cancellation of such company was completed in February 2025.

## 6. Others

None

## X. Equity in other entities

### 1. Equity in subsidiaries

#### (1) Structure of the enterprise group

Subsidiaries	Main business place	Registration place	Business nature	Shareholding ratio		Method of acquisition
				Direct	Indirect	
Jiangsu Shengze Dongfang Hengchuang Energy Co., Ltd. [Remark]	Suzhou	Suzhou	Energy sales and management	100.00%	0.00%	Established by investment
Jiangsu Shengze Gas Turbine Thermal Power Co., Ltd.	Suzhou	Suzhou	Electricity and heat supply	100.00%	0.00%	Established by investment
Jiangsu Shenghong Petrochemical Industry Group Co., Ltd.	Suzhou	Suzhou	Petrochemical industry investment	100.00%	0.00%	Established by investment
Suzhou Shenghong Data Cloud Technology Co., Ltd.	Suzhou	Suzhou	Software and information technology service	100.00%	0.00%	Established by investment
Jiangsu	Suzhou	Suzhou	New material	100.00%	0.00%	Established

Subsidiaries	Main business place	Registration place	Business nature	Shareholding ratio		Method of acquisition
				Direct	Indirect	
Shenghong Energy & Chemical New Materials Co., Ltd.			technology research and development			by investment
Shenghong (Shanghai) New Material Technology Co., Ltd.	Shanghai	Shanghai	New material technology research and development	100.00%	0.00%	Established by investment
Jiangsu Shenghong Chemical Fiber New Materials Co., Ltd.	Suzhou	Suzhou	New material technology research and development	100.00%	0.00%	Established by investment
Shenghong (Jiangsu) Advanced Materials Research Institute Co., Ltd.	Lianyungang	Lianyungang	New material technology research and development	100.00%	0.00%	Established by investment
Shenghong Petrochemical Group Shanghai New Materials Co., Ltd.	Shanghai	Shanghai	Technology development in the field of new chemical materials	100.00%	0.00%	Business combination under common control
Suzhou Shengze Marketing Management Co., Ltd.	Suzhou	Suzhou	Real estate lease	100.00%	0.00%	Established by investment

Remark: Jiangsu Shengze Dongfang Hengchuang Energy Co., Ltd. had completed the cancellation procedures in February 2025.

## (2) Important non-wholly-owned subsidiaries

Monetary Unit: RMB

Subsidiaries	Shareholding ratio of minority shareholders	Profit or loss attributable to minority shareholders in the current period	Dividends declared to be distributed to minority shareholders in the current period	Ending balance of minority equity
Jiangsu Sierbang Petrochemical Co., Ltd.	9.224105%	9,079,685.43	159,280,000.00	1,377,707,298.88
Jiangsu Guowang High-	20.168067%	-11,829,986.02	132,000,000.00	2,013,445,445.31

Subsidiaries	Shareholding ratio of minority shareholders	Profit or loss attributable to minority shareholders in the current period	Dividends declared to be distributed to minority shareholders in the current period	Ending balance of minority equity
tech Fiber Co., Ltd.				

Description of the differences between the shareholding ratios in minority shareholders and the corresponding voting right ratios:

None

Other description:

None

**(3) Main financial information of important non-wholly-owned subsidiaries**

Monetary Unit: RMB

Subsidiaries	Balance as at June 30, 2025						Balance as at January 1, 2025					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Jiangsu Sierbang Petrochemical Co., Ltd.	8,576,336,371.00	35,354,148,613.30	43,930,484,984.30	14,083,454,639.58	13,343,584,814.12	27,427,039,453.70	7,208,628,834.98	34,234,049,031.66	41,442,677,866.64	11,951,734,499.72	13,455,353,819.53	25,407,088,319.25
Jiangsu Guowang High-tech Fiber Co., Ltd.	13,343,024,522.24	10,918,687,766.01	24,261,712,288.25	11,166,276,475.41	3,032,422,624.20	14,198,699,099.61	12,288,518,632.61	11,267,791,769.90	23,556,310,402.51	9,844,904,219.95	3,533,134,738.62	13,378,038,958.57

Monetary Unit: RMB

Subsidiaries	Current period				Prior period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Jiangsu Sierbang Petrochemical Co., Ltd.	11,031,194,148.28	120,395,856.06	120,395,856.06	472,801,711.59	10,638,478,285.85	518,341,490.56	518,341,490.56	954,560,221.43
Jiangsu Guowang High-tech Fiber Co., Ltd.	8,520,679,810.73	16,741,744.70	16,741,744.70	-5,429,051,968.72	9,970,018,557.36	387,823,484.57	387,823,484.57	-2,432,228,154.37

Other description:

None

**(4) Major limitation to the use of enterprise group assets and the liquidation of enterprise group debts**

None

**(5) Financial or other support provided to structured entities included in the scope of the consolidated financial statements**

None

## 2. Transactions causing changes in the share of owners' equity in subsidiaries and remaining the control over these subsidiaries

### (1) Description of the changes in the share of owners' equity in subsidiaries

Suzhou Xingchuang Investment Co., Ltd. signed an agreement on additional investment with Sierbang Petrochemical, a subsidiary of the Company, for the purpose of making the additional investment of RMB 496 million, by which minority shareholders totally hold 9.224105% of equity of Sierbang Petrochemical.

### (2) Effect of transactions on minority interests and equity attributable to owners of the parent company

Monetary Unit: RMB

Item	Jiangsu Sierbang Petrochemical Co., Ltd.
Purchase cost / disposal consideration	
-- Cash	496,000,000.00
-- Fair value of non-cash assets	
Total purchase cost / disposal consideration	496,000,000.00
Less: share of net assets of subsidiaries calculated at the ratio of equity acquired / disposed of	281,548,168.30
Difference	214,451,831.70
Including: adjustment to capital reserves	214,451,831.70
Adjustment to surplus reserves	
Adjustment to undistributed profits	

## 3. Equity in joint ventures or associates

### (1) Important joint ventures or associates

None

### (2) Main financial information of important joint ventures

None

### (3) Main financial information of important associates

None

### (4) Summary of financial information on unimportant joint ventures and associates

Monetary Unit: RMB

	Balance as at June 30, 2025 / Current period	Balance as at January 1, 2025 / Prior period
Joint ventures:		
Total amounts of the following items calculated at shareholding ratio		
Associates:		
Total book value of investments	91,014,524.50	90,557,516.48
Total amounts of the following items calculated at shareholding ratio		
-- Net profit	1,282,597.10	7,249,765.52
-- Other comprehensive income	1,282,597.10	7,249,765.52



**(5) Description of the situation that any joint venture or associate is subject to the significant restriction on transferring financial resources to the Company**

None

**(6) Excess deficit suffered by any joint venture or associate**

None

**(7) Unrecognized commitments relevant to investments of joint ventures**

None

**(8) Contingent liabilities relevant to investments of joint ventures or associates**

None

**4. Important joint operation**

None

**5. Equities of the structured entities not included in the scope of consolidated financial statements**

None

**6. Others**

None

**XI. Government grants****1. Government grants recognized at the amount receivable at the end of the reporting period**☒Applicable ☐Not applicable

Balance of receivables as at June 30, 2025: RMB 519,047,862.19.

Reasons for failure to receive government grants in the expected amount by the expected date

☐Applicable ☒Not applicable**2. Liabilities involving with government grants**☒Applicable ☐Not applicable

Monetary Unit: RMB

Item	Balance as at January 1, 2025	New grants in the current period	Amount included in non-operating income in the current period	Amount transferred to other income in the current period	Other changes in the current period	Balance as at June 30, 2025	Asset/income-related
Deferred income	2,400,104,976.66	59,045,694.00		57,049,291.32		2,402,101,379.34	Asset-related

**3. Government grants included in the current profit or loss**☒Applicable ☐Not applicable**(1) Asset-related government grants**

Monetary Unit: RMB

Item presented on the	Amount of	Amount included in current profit or loss	Item included in current
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balance sheet	government grants	or used to offset relevant costs		profit or loss or used to offset relevant costs
		Current period	Prior period	
Deferred income	59,045,694.00	57,049,291.32	51,418,134.24	Other income

## (2) Income-related government grants

Monetary Unit: RMB

Item included in the current profit or loss or used to offset relevant costs	Amount of government grants	Amount included in current profit or loss or used to offset relevant costs	
		Current period	Prior period
Other income	52,180,883.68	52,180,883.68	204,240,452.13

**XII. Risks related to financial instruments****1. Various risks arising from financial instruments**

The Company faces various financial risks in the course of its business operation, including credit risks, liquidity risks and market risks (including the exchange rate risk, interest rate risk and other price risk). The above-mentioned financial risks and the risk management policies adopted by the Company for reducing those risks are as follows:

The Company faces various financial risks in the course of its business operation, including credit risks, market risks and liquidity risks. The Board of Directors of the Company takes full responsibilities for determining the risk management objects and policies and bearing the ultimate liabilities for the same, however, the Board of Directors has authorized the management of the Company to design and implement the procedure capable of ensuring the effective implementation of the risk management objects and policies. The Board of Directors reviews the effectiveness of the enforced procedures and the rationality of risk management objectives and policies by means of the quarter reports submitted by the finance department of the Company. The internal auditors of the Company also will audit the risk management policies and procedures, and report relevant facts to the audit committee.

The overall object of risk management of the Company is to prepare the risk management policies ensuring the risk under control as far as possible without affecting the Company's competitiveness and resilience.

**(1) Credit risk**

The credit risk refers to the risk where the Company may have the financial loss caused by the counterparty's failure in performing any contractual obligation.

The Company mainly faces customer credit risks caused by credit sales. The Company will make assessment on the credit risk of new customers before signing new contracts with them, including the external credit rating and the bank credit certification (if such information can be acquired) in some cases. The Company has set for each customer the credit sale limitation, which is maximum and free of any additional approval.

The Company carries out the quarterly monitoring on credit rating information of existing customers the monthly review on the aging analysis of accounts receivable to make sure that the overall credit risk of the Company is under control. The Company groups customers by their credit characteristics while monitoring the customer credit risk. Upon the risk assessment, customers at the "high-risk" level are included in the list of restricted customers, and can obtain the credit sales from the Company in the future only when the additional approval is given; otherwise, they must pay relevant payments in advance as required.

**(2) Liquidity risk**

The liquidity risk refers to the risk of capital shortage of an enterprise taking place in the course of cash payment or settlement via other financial assets.

The liquidity risk refers to the risk of capital shortage of an enterprise taking place in the course of cash payment or settlement via other financial assets. The policy of the Company is to ensure that there are sufficient cash for the payment of the matured debts. Liquidity risk is under the centralized control of the financial department of the Company. The financial department monitors cash balance and readily realizable and marketable securities and

makes rolling forecast on cash flows of the next 12 months to ensure that the Company has sufficient funds to repay debts in all cases of reasonable prediction.

Items of the Company with potential liquidity risks:

Monetary Unit: RMB

Item	Balance as at June 30, 2025				
	Book value	Undiscounted contract amount	Within 1 year	1 - 3 years	Over 3 years
Bank borrowings	136,853,536,604.36	137,062,933,483.49	77,339,223,673.49	21,080,613,265.00	38,643,096,545.00
Bonds payable	4,692,459,021.88	5,022,381,261.12	24,891,861.12	4,997,489,400.00	-
Lease liabilities	3,130,262,098.47	4,328,530,953.23	343,761,206.68	700,468,962.48	3,284,300,784.07
Long-term payables	5,457,243,880.11	5,743,717,978.16	1,955,933,761.93	2,535,641,819.96	1,252,142,396.27
Accounts payable	17,342,512,385.72	17,342,512,385.72	17,342,512,385.72	-	-
Notes payable	85,305,815.32	85,305,815.32	85,305,815.32	-	-
Other payables	1,401,453,980.77	1,401,453,980.77	1,401,453,980.77	-	-
Financial liabilities held for trading	21,737,146.20	21,737,146.20	21,737,146.20	-	-
Sub-total	168,984,510,932.83	171,008,573,004.01	98,514,819,831.23	29,314,213,447.44	43,179,539,725.34

Monetary Unit: RMB

Item	Balance as at December 31, 2024				
	Book value	Undiscounted contract amount	Within 1 year	1 - 3 years	Over 3 years
Bank borrowings	132,763,278,809.07	132,972,372,947.34	71,757,995,499.96	19,646,496,910.97	41,567,880,536.41
Bonds payable	4,627,988,048.31	5,056,108,291.50	58,534,091.50	4,997,574,200.00	-
Lease liabilities	3,121,794,764.83	4,372,700,630.76	319,573,482.62	720,443,186.59	3,332,683,961.55
Long-term payables	4,549,870,373.34	4,803,686,057.67	1,322,478,124.50	2,560,145,850.07	921,062,083.10
Accounts payable	14,250,773,680.27	14,250,773,680.27	14,250,773,680.27	-	-
Other payables	301,204,531.41	301,204,531.41	301,204,531.41	-	-

Item	Balance as at December 31, 2024				
	Book value	Undiscounted contract amount	Within 1 year	1 - 3 years	Over 3 years
Sub-total	159,614,910,207.23	161,756,846,138.95	88,010,559,410.26	27,924,660,147.63	45,821,626,581.06

### (3) Market risk

Market risks of financial instruments refer to the risks of fluctuation in the fair values or future cash flows of financial instruments due to changes in market prices, and include exchange rate risks, interest rate risks, and other price risks.

#### ① Interest rate risk

Interest rate risk refers to the risk that fair values or future cash flows of financial instruments may fluctuate due to the change in market interest rate. The Company's interest rate risk mainly derives from long-term or short-term borrowings and bonds payable with fixed interest rate from banks. The Company makes loans according to the amount and time demand of funds and after comprehensive analysis of interest rate and time of borrowing from various banks. The Company has established good bank-enterprise relationship with banks and has sufficient bank credit lines. The Company has consistently maintained a good credit record, and the interest rates of the borrowing contracts signed with banks basically float at a certain percentage of the benchmark interest rates announced by the central bank for the same period and at the same level.

#### ② Exchange rate risk

Exchange rate risk refers to the risk that fair value or future cash flows of financial instruments fluctuate due to changes in foreign exchange rate. The Company matches the foreign currency revenue with the foreign currency expenses as far as possible to reduce the exchange rate risk.

#### ③ Other price risks

Other price risk refers to the risk by which the fair value or future cash flow of any financial instrument may fluctuate following the change in market price other than the exchange rate risk and interest rate risk. As at June 30, 2025, the Company had no other price risk as it had no equity investment in any other listed company.

## 2. Financial assets

### (1) Classification of transfer methods

☐Applicable ☒Not applicable

### (2) Financial assets derecognized due to the transfer thereof

☐Applicable ☒Not applicable

### (3) Transfer of continuous involvement assets to financial assets

☐Applicable ☒Not applicable

## XIII. Disclosure of fair value

### 1. Fair value of assets and liabilities measured at fair value as at June 30, 2025

Monetary Unit: RMB

Item	Fair value as at June 30, 2025			
	Measurement at Level 1 fair value	Measurement at Level 2 fair value	Measurement at Level 3 fair value	Total
I. Continuous measurement at fair value	--	--	--	--

(I) Financial assets held for trading	104,020,190.89			104,020,190.89
Including: derivative financial assets	104,020,190.89			104,020,190.89
(II) Receivables financing			256,698,225.34	256,698,225.34
(III) Other equity instrument investments			584,422,540.00	584,422,540.00
Total assets with continuous measurement at fair value	104,020,190.89		841,120,765.34	945,140,956.23
(VI) Financial liabilities held for trading	21,737,146.20			21,737,146.20
Including: derivative financial liabilities	21,737,146.20			21,737,146.20
Total liabilities with continuous measurement at fair value	21,737,146.20			21,737,146.20
II. Non-continuous measurement at fair value	--	--	--	--

## 2. Basis of determination for market prices of items with continuous and non-continuous measurements at level 1 fair values

Derivative financial assets of RMB 104,020,190.89 and derivative financial liabilities of RMB 21,737,146.20 were recognized at the fair value of the position contract in the futures market on June 30, 2025.

## 3. Qualitative and quantitative information on the valuation techniques and important parameters adopted for items with continuous and non-continuous measurements at level 2 fair values

None

## 4. Qualitative and quantitative information on the valuation techniques and important parameters adopted for items with continuous and non-continuous measurements at level 3 fair values

Monetary Unit: RMB

Item	Fair value as at June 30, 2025	Valuation techniques
Receivables financing	256,698,225.34	[Remark]
Other equity instrument investments	584,422,540.00	Market approach

Remark: The receivables financing refer to the notes receivable of RMB 256,698,225.34 that have been discounted or expected to be transferred upon endorsement. As the maturity of these notes is usually shorter than 6 months, and the difference between the fair value thereof and the face value of the same is insignificant, the face amount is taken as the fair value for measurement.

**5. Information on the adjustment to the opening and closing book values of items with continuous measurements at level 3 fair values, and sensitivity analysis of unobservable parameters**

None

**6. Reason for level shift in items with continuous measurement at fair value during the current period, and, if any, the policy for shift time determination**

None

**7. Changes in valuation techniques during the current period and reasons for those changes**

None

**8. Fair values of financial assets and financial liabilities not measured at fair value**

None

**9. Others**

None

**XIV. Related parties and related transactions****1. Parent company of the Company**

Parent company	Registration place	Business nature	Registered capital	Shareholding ratio of the parent company in the Company	Voting right ratio of the parent company in the Company
Jiangsu Shenghong Technology Co., Ltd.	Suzhou	Investment-based	RMB 2,992.7411 million	43.24%	43.24%

Remark: The above-mentioned shareholding ratio refers to the one directly held by Shenghong Technology in the Company as at June 30, 2025.

The ultimate controllers of the Company are Miao Han'gen and Zhu Hongmei.

**2. Subsidiaries of the Company**

See "Note X Equity in other entities" for subsidiaries of the Company.

**3. Joint ventures and associates of the Company**

See the Note "X Equity in other entities" for details of important joint ventures and associates of the Company.

**4. Other related parties**

Other related party	Relationship with the Company
Jiangsu Shenghong New Material Group Co., Ltd.	Parent company of the Company's parent company
HONWELL (Lianyungang) Fine Chemicals Co., Ltd.	Other related relationship
Jiaxing Jiasheng New Material Technology Co., Ltd.	Controlled by the same actual controller
Jiaxing Jiasheng Printing and Dyeing Co., Ltd.	Controlled by the same actual controller
Jiangsu Oriental Inta Security System Co., Ltd.	Other related relationship
Jiangsu Eastern Yingta Security Service Co., Ltd.	Other related relationship
Jiangsu Shengbang New Materials Co., Ltd.	Controlled by the same actual controller
Jiangsu Shenghong Import and Export Co., Ltd.	Controlled by the same actual controller

Other related party	Relationship with the Company
Jiangsu Shengze Oriental Development Co., Ltd.	Other related relationship
Lianyungang Hongyang Thermoelectricity Co., Ltd.	Other related relationship
Shenghong (Suzhou) Group Co., Ltd.	Controlled by the same actual controller
Shenghong Ligend Power Technology (Suzhou) Co., Ltd.	Controlled by the same actual controller
Sheng Hong Group Co., Ltd.	Controlled by the same actual controller
Shenghong Holding Group Co., Ltd.	Controlled by the same actual controller
Shenghong Petrochemical Group Co., Ltd.	Controlled by the same actual controller
Suzhou Oriental Yingta Property Management Co., Ltd.	Other related relationship
Suzhou Huaxia Group Co., Ltd.	Other related relationship
Suzhou Pingwang Bleaching and Dyeing Co., Ltd.	Controlled by the same actual controller
Wujiang Shenghong Wanli Hotel of Suzhou Shenghong Hotel Co., Ltd.	Other related relationship
Suzhou Shenglian Industrial Water Co., Ltd.	Other related relationship
Suzhou Shengyuan Science and Technology Innovation Park Management Service Co., Ltd.	Controlled by the same actual controller
Suzhou Shengze Urban Organic Renewal Development Co., Ltd.	Other related relationship
Suzhou Suzhen Thermal Power Co., Ltd.	Other related relationship
Suzhou Wujiang CNPC Kunlun Gas Co., Ltd.	Other related relationship
Suzhou Xinmin Printing and Dyeing Co., Ltd.	Controlled by the same actual controller
Wujiang Oriental Market Supply Chain Service Co., Ltd.	Other related relationship
Wujiang Feixiang Printing and Dyeing Co., Ltd.	Controlled by the same actual controller
Wujiang Jiayu Industrial Development Co., Ltd.	Other related relationship
Wujiang Pengxiang Real Estate Development Co., Ltd.	Other related relationship
Xintiandi Textile Printing and Dyeing (Jiaxing) Co., Ltd.	Controlled by the same actual controller
Yu Xiaofang	Other related relationship
Jiangsu Lvhe'an Technology Co., Ltd.	Controlled by the same actual controller

## 5. Related transactions

### (1) Related transactions on purchase or sales of goods and rendering or receipt of services

Purchase of goods/receipt of services

Monetary Unit: RMB

Related party	Content of related transactions	Current period	Transaction limit approved	Whether the transaction limit is exceeded	Prior period
Sheng Hong	Cost on energy	40,686,764.89	101,223,000.00	No	40,345,190.97

Group Co., Ltd.	purchase and processing				
Jiangsu Eastern Yingta Security Service Co., Ltd.	Security service	129,630.47	280,000.00	No	70,839.29
Suzhou Suzhen Thermal Power Co., Ltd.	Energy, steam, water, etc.	513,377.31	10,780,000.00	No	3,926,804.70
Wujiang Shenghong Wanli Hotel of Suzhou Shenghong Hotel Co., Ltd.	Meetings, catering, etc.	325,024.22	3,225,000.00	No	114,155.09
Lianyungang Hongyang Thermoelectricity Co., Ltd.	Steam	1,885,197,453.52	6,382,000,000.00	No	2,389,691,781.05
Tianjin Polytechnic University Textile Auxiliaries Co., Ltd.	Purchase of materials	7,438,938.09	44,330,000.00	No	22,384,409.83
Suzhou Shengyuan Science and Technology Innovation Park Management Service Co., Ltd.	Utility bills	470,961.63	1,420,000.00	No	53,483.00
Wujiang Pengxiang Real Estate Development Co., Ltd.	Property management fee	36,522.05	160,000.00 [Remark]	No	990.57
Total		1,934,798,672.18		No	2,456,587,654.50

Remark: Wujiang Pengxiang Real Estate Development Co., Ltd. is a subsidiary of Wujiang Jiayu Industrial Development Co., Ltd.

Sales of goods/rendering of services

Monetary Unit: RMB

Related party	Content of related transactions	Current period	Prior period
Sheng Hong Group Co., Ltd.	Goods or energy, etc.	18,593,794.02	25,846,684.34
Wujiang Jiayu Industrial Development Co., Ltd.	Warehousing and terminal services	20,141,698.32	33,693,488.98
Wujiang Feixiang Printing and Dyeing Co., Ltd.	Steam or water	3,093,030.52	3,090,207.09
Wujiang Oriental Market	Steam or water	1,145,936.12	659,534.13



Related party	Content of related transactions	Current period	Prior period
Supply Chain Service Co., Ltd.			
Shenghong Petrochemical Group Co., Ltd.	Goods, water, electricity, sewage treatment		2,896.48
Jiangsu Shengze Oriental Development Co., Ltd.	Steam	268,806.42	334,500.81
Lianyungang Hongyang Thermoelectricity Co., Ltd.	Commodity	98,254,359.58	103,196,962.52
Jiaxing Jiasheng New Material Technology Co., Ltd.	Rendering of services	55,751.89	26,997.17
Jiaxing Jiasheng Printing and Dyeing Co., Ltd.	Rendering of services	70,976.42	43,431.13
Shenghong Holding Group Co., Ltd.	Vehicle transfer		38,938.05
Suzhou Pingwang Bleaching and Dyeing Co., Ltd.	Rendering of services	87,920.28	35,738.68
Suzhou Shengze Urban Organic Renewal Development Co., Ltd.	Water, electricity and property management expenses	63,723.59	306,871.64
Suzhou Xinmin Printing and Dyeing Co., Ltd.	Rendering of services	77,859.44	22,099.06
Shenghong Ligend Power Technology (Suzhou) Co., Ltd.	Vehicle transfer		604,268.11
Xintiandi Textile Printing and Dyeing (Jiaxing) Co., Ltd.	Rendering of services	247,946.22	178,600.94
Jiangsu Lvhe'an Technology Co., Ltd.	Commodity	10,727,711.51	
Jiangsu Shenghong Technology Co., Ltd.	Rendering of services	21,221.18	
Suzhou Huaxia Group Co., Ltd.	Rendering of services	48,113.21	
Suzhou Suzhen Thermal Power Co., Ltd.	Commodity	225,647.78	
Total		153,124,496.50	168,081,219.13

**(2) Management on commission/ contract and commissioned management/ sub-contract**

None

**(3) Related-party leases**

The Company as the lessor:

Monetary Unit: RMB

Name of lessee	Type of leased assets	Lease revenue recognized in this	Lease revenue recognized in previous period
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		period	
Sheng Hong Group Co., Ltd.	Lease of transformer and its supporting appurtenances	3,823,008.84	5,335,874.41
Shenghong Petrochemical Group Co., Ltd.	Lease of housing		16,497.57
Yu Xiaofang	Lease of housing	72,933.34	73,135.36
Suzhou Shenglian Industrial Water Co., Ltd.	Leases of housing and transformers	18,273.81	
Jiangsu Shengbang New Materials Co., Ltd.	Lease of housing	457,821.75	
Total		4,372,037.74	5,425,507.34

The Company as the lessee:

None

#### (4) Related-party guarantees

The Company as the guarantor

None

The Company as the guaranteed party:

Units: RMB '0,000, USD '0,000, EUR '0,000, CHF '0,000 and JPY '0,000

Guarantor	Currency	Guaranteed amount (total)	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Sheng Hong Group Co., Ltd., Shenghong (Suzhou) Group Co., Ltd., Shenghong Petrochemical Group Co., Ltd., Miao Hangen, Zhu Hongmei, Tang Jinkui, Zhu Yuqin, five pieces of land and construction in progress, equity pledge of Sierbang Petrochemical	RMB	4,150,000.00	2020/11/13	2038/11/12	No
Miao Han'gen and his wife	RMB	80,000.00	2019/9/20	2032/9/20	No
Miao Han'gen and his wife	RMB	20,000.00	2019/9/20	2032/9/20	No
Miao Han'gen and his wife	RMB	75,000.00	2019/9/20	2032/9/20	No
Miao Han'gen and his wife	RMB	50,000.00	2019/9/20	2032/9/20	No
Miao Han'gen and his wife	RMB	30,000.00	2019/9/20	2032/9/20	No
Miao Han'gen and his wife	RMB	15,000.00	2019/9/20	2032/9/20	No
Shenghong Holding Group Co., Ltd.	RMB	11,505.00	2025/1/15	2029/1/15	No
Shenghong Holding Group Co., Ltd.	RMB	30,000.00	2024/3/27	2029/3/15	No
Shenghong Holding Group Co.,	RMB	20,000.00	2024/5/23	2029/5/10	No

Guarantor	Currency	Guaranteed amount (total)	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Ltd.					
Shenghong Holding Group Co., Ltd.	RMB	285,000.00	2023/7/26	2033/6/21	No
Shenghong Holding Group Co., Ltd.	RMB	80,000.00	2023/10/19	2034/10/15	No
Jiangsu Shenghong New Material Group Co., Ltd.	RMB	35,000.00	2024/2/18	2028/8/4	No
Shenghong (Suzhou) Group Co., Ltd.	RMB	15,000.00	2024/11/11	2029/4/13	No
Jiangsu Shenghong Technology Co., Ltd.	RMB	15,000.00	2025/3/19	2029/3/25	No
Shenghong (Suzhou) Group Co., Ltd., Miao Han'gen, Zhu Hongmei	RMB	119,000.00	2019/6/28	2028/6/27	No
Shenghong Holding Group Co., Ltd.	EUR	223.04	2024/12/12	2027/6/15	No
shenghong Holding Group Co., Ltd., Yunhai Bay Project land and completed house property mortgages	RMB	46,000.00	2021/9/6	2044/8/30	No
shenghong Holding Group Co., Ltd., Yunhai Bay Project land and completed house property mortgages	RMB	55,000.00	2022/1/28	2044/12/21	No
Shenghong Holding Group Co., Ltd.	RMB	22,500.00	2022/9/23	2034/11/22	No
Shenghong Holding Group Co., Ltd.	RMB	130,000.00	2023/12/12	2033/12/15	No
Shenghong Holding Group Co., Ltd. and Lianyungang Xuwei Port Holdings Group Co., Ltd. guarantees, mortgage of the sea area use right: Su (2021) LYGSBDCQ No. 0026061	RMB	30,000.00	2021/12/15	2035/12/13	No
Jiangsu Shenghong Technology Co., Ltd., Sheng Hong Group Co., Ltd., Suzhou Huaxia Group Co., Ltd., Miao Han'gen, and Zhu Hongmei	RMB	611,500.00	2014/4/25	2028/4/24	No
Jiangsu Shenghong Technology Co., Ltd., Sheng Hong Group Co., Ltd., Suzhou Huaxia Group Co., Ltd., Miao Han'gen, and Zhu Hongmei	USD	32,500.00	2014/6/10	2028/4/24	No

Guarantor	Currency	Guaranteed amount (total)	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Jiangsu Shenghong Technology Co., Ltd., Sheng Hong Group Co., Ltd., Suzhou Huaxia Group Co., Ltd., Miao Han'gen, and Zhu Hongmei	RMB	47,000.00	2016/6/30	2028/4/24	No
Jiangsu Shenghong New Material Group Co., Ltd., Shenghong Holding Group Co., Ltd., Sheng Hong Group Co., Ltd., Suzhou Huaxia Group Co., Ltd., Miao Han'gen and Zhu Hongmei	RMB	213,262.00	2018/6/27	2029/6/27	No
Jiangsu Eastern Shenghong Co., Ltd., Miao Han'gen, Zhu Hongmei	RMB	84,000.00	2024/4/15	2028/4/14	No
Jiangsu Eastern Shenghong Co., Ltd., Miao Han'gen, Zhu Hongmei	RMB		2025/4/15	2029/4/14	No
Shenghong Holding Group Co., Ltd., Shenghong Petrochemical Group Co., Ltd., Miao Han'gen, and Zhu Hongmei	RMB	500,000.00	2021/5/13	2034/4/18	No
Shenghong Holding Group Co., Ltd.	EUR	119.05	2023/11/13	2026/9/30	No
Shenghong Holding Group Co., Ltd.	EUR	3.96	2024/1/30	2026/11/15	No
Shenghong Holding Group Co., Ltd.	EUR	552.69	2024/3/13	2027/3/22	No
Shenghong Holding Group Co., Ltd.	EUR	755.65	2024/3/18	2027/3/22	No
Shenghong Holding Group Co., Ltd.	EUR	3.62	2024/7/5	2028/8/15	No
Shenghong Holding Group Co., Ltd.	EUR	25.10	2025/1/15	2027/8/31	No
Shenghong Holding Group Co., Ltd.	EUR	12.13	2025/2/26	2027/4/20	No
Shenghong Holding Group Co., Ltd.	EUR	15.71	2025/4/8	2027/11/30	No
Shenghong Holding Group Co., Ltd.	EUR	1,190.00	2025/6/26	2027/11/23	No
Shenghong Holding Group Co., Ltd.	RMB	90,000.00	2025/3/27	2028/9/26	No
Shenghong Holding Group Co., Ltd.	RMB	18,500.00	2025/4/17	2028/10/16	No

Guarantor	Currency	Guaranteed amount (total)	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Ltd.					
Shenghong (Suzhou) Group Co., Ltd.	RMB	50,000.00	2024/8/8	2029/4/15	No
Shenghong (Suzhou) Group Co., Ltd., guarantee guarantee and property mortgage of Miao Han'gen and his wife	RMB	2,000.00	2025/1/6	2029/1/13	No
Jiangsu Shenghong New Material Group Co., Ltd.	RMB	12,000.00	2025/6/20	2029/6/17	No
Jiangsu Shenghong New Material Group Co., Ltd.	RMB	8,782.00	2025/6/20	2029/6/19	No
Jiangsu Shenghong New Material Group Co., Ltd.	RMB	12,000.00	2025/6/24	2029/6/23	No
Miao Han'gen and his wife	RMB	150,000.00	2024/6/3	2029/2/12	No
Miao Han'gen and his wife	RMB		2025/4/27	2029/6/24	No
Miao Han'gen, Zhu Hongmei	RMB	19,200.00	2024/6/3	2028/5/7	No
Shenghong Holding Group Co., Ltd.	RMB	75,000.00	2020/12/15	2032/6/8	No
Jiangsu Shenghong New Material Group Co., Ltd.	RMB	40,000.00	2021/5/28	2031/5/28	No
Shenghong Holding Group Co., Ltd.	JPY	307,800.00	2025/2/14	Actual payment date + 2 years	No
Shenghong Holding Group Co., Ltd.	JPY	410,400.00	2025/2/14	Actual payment date + 2 years	No
Shenghong Holding Group Co., Ltd.	EUR	133.14	2021/7/22	Actual payment date + 2 years	No
Shenghong Holding Group Co., Ltd.	EUR	1,197.78	2025/2/24	Actual payment date + 2 years	No
Shenghong Holding Group Co., Ltd.	CHF	33.26	2025/6/9	Actual payment date + 2 years	No
Shenghong Holding Group Co., Ltd.	CHF	33.04	2025/6/9	Actual payment date + 2	No

Guarantor	Currency	Guaranteed amount (total)	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
				years	
Shenghong Holding Group Co., Ltd.	RMB	60,000.00	2025/3/24	2031/11/28	No
Shenghong Holding Group Co., Ltd.	RMB	45,000.00	2025/3/24	2031/11/28	No
Shenghong (Suzhou) Group Co., Ltd.	RMB	66,400.00	2021/11/29	2028/11/29	No

**(5) Loans from/to related parties**

Monetary Unit: RMB

Related party	Balance as at December 31, 2024	Loans from related parties in the current period	Repayment in the current period	Balance as at June 30, 2025	Accrual of interest on lending/borrowing in the current period
Jiangsu Shenghong Technology Co., Ltd.	0.00	199,850,000.00	199,850,000.00	0.00	181,455.89

**(6) Asset transfer and debt restructuring of related parties**

None

**(7) Remuneration of key management personnel**

Monetary unit: RMB '0,000

Item	Current period	Prior period
Remuneration of key management personnel	882.64	868.41

**(8) Other related transactions**

None

**6. Receivables from and payables to related parties****(1) Receivables**

Monetary Unit: RMB

Item	Related party	Balance as at June 30, 2025		Balance as at January 1, 2025	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable					
	Shenghong Petrochemical			36,940.48	

Item	Related party	Balance as at June 30, 2025		Balance as at January 1, 2025	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Group Co., Ltd.				
	Lianyungang Hongyang Thermoelectricity Co., Ltd.	84,368,251.52		32,834,374.43	
	Wujiang Jiayu Industrial Development Co., Ltd.	5,388,625.65		5,742,668.83	
	Sheng Hong Group Co., Ltd.	3,053,827.99		5,649,565.87	
	Wujiang Feixiang Printing and Dyeing Co., Ltd.	699,345.80		877,479.64	
	Jiaxing Jiasheng New Material Technology Co., Ltd.	9,444.00		5,065.00	
	Jiaxing Jiasheng Printing and Dyeing Co., Ltd.	18,546.00		10,739.00	
	Jiangsu Shengbang New Materials Co., Ltd.	556,711.25		600,000.00	
	Suzhou Pingwang Bleaching and Dyeing Co., Ltd.	22,025.00		8,590.00	
	Suzhou Xinmin Printing and Dyeing Co., Ltd.	762.00		13,297.00	
	Xintiandi Textile Printing and Dyeing (Jiaxing) Co., Ltd.	62,129.00		26,655.00	
	Jiangsu Lvhe'an Technology Co., Ltd.	4,835,449.11			
	Sub-total	99,015,117.32		45,805,375.25	
Advances to suppliers					
	Lianyungang Hongyang Thermoelectricity Co., Ltd.	610,886,508.69		441,193.60	

Item	Related party	Balance as at June 30, 2025		Balance as at January 1, 2025	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Sheng Hong Group Co., Ltd.	29,129,926.10			
	Sub-total	640,016,434.79		441,193.60	

**(2) Payables**

Monetary Unit: RMB

Item	Related party	Book balance as at June 30, 2025	Book balance as at January 1, 2025
Accounts payable			
	Lianyungang Hongyang Thermoelectricity Co., Ltd.	3,230,396.84	162,105,848.63
	Suzhou Suzhen Thermal Power Co., Ltd.	88,008.80	184,967.75
	Sheng Hong Group Co., Ltd.	16,767.30	1,149,188.36
	Wujiang Shenghong Wanli Hotel of Suzhou Shenghong Hotel Co., Ltd.		0.90
	Tianjin Polytechnic University Textile Auxiliaries Co., Ltd.	1,062,079.65	3,745,593.28
	Suzhou Shengyuan Science and Technology Innovation Park Management Service Co., Ltd.	9,064.28	
	Sub-total	4,406,316.87	167,185,598.92
Other payables			
	Yu Xiaofang	15,500.00	15,500.00
Advances from customers			
	Yu Xiaofang	61,650.83	134,584.17
Contract liabilities and other current liabilities			
	Wujiang Oriental Market Supply Chain Service Co., Ltd.	90,036.58	25,702.28
	Jiangsu Shengze Oriental Development Co., Ltd.	50,000.00	8,885.95
	Sub-total	140,036.58	34,588.23



**7. Related-party commitment**

None

**8. Others**

None

**XV. Commitments and contingencies****1. Important commitments**

Important commitments on the balance sheet date

Miao Han'gen, Zhu Hongmei and enterprises controlled by them as well as other related parties provided the maximum joint and several liability guarantee of RMB 1,500 million for Jiangsu Guowang High-tech Fiber Co., Ltd., the maximum joint and several liability guarantee of RMB 192 million for Jiangsu Zhonglu Technology Development Co., Ltd., the maximum joint and several liability guarantee of RMB 1,190 million for Jiangsu Shenghong Petrochemical Industry Group Co., Ltd., the maximum joint and several liability guarantee of RMB 3,465.05 million and the guarantee for consortium loans of RMB 2,700 million for Jiangsu Honggang Petrochemical Co., Ltd., the maximum joint and several liability guarantee of RMB 1,714 million for Jiangsu Eastern Shenghong Co., Ltd., the maximum joint and several liability guarantee of RMB 300 million for Lianyungang Hongyang Port Storage and Transportation Co., Ltd., the maximum joint and several liability guarantee of RMB 20 million for Liaoning Province Petroleum-chemical Industry Planning & Designing Institute Co., Ltd., the maximum joint and several liability guarantee of RMB 500 million as shared quota for three companies including Shenghong Refining & Chemical (Lianyungang) Co., Ltd., Jiangsu Honggang Petrochemical Co., Ltd. and Jiangsu Sierbang Petrochemical Co., Ltd., the guarantee for consortium loans of RMB 41,500 million for Shenghong Refining & Chemical (Lianyungang) Co., Ltd., and the maximum joint and several liability guarantee of RMB 840 million and the guarantee for consortium loans of RMB 13,247.62 million for Jiangsu Sierbang Petrochemical Co., Ltd.

**2. Contingencies****(1) Significant contingencies existing on the balance sheet date**

As at June 30, 2025, the Company had no significant pending litigation.

**(2) The description should be given even though the Company has no significant contingency required to be disclosed.**

The Company has no significant contingency required to be disclosed.

**3. Others**

As at June 30, 2025, details of mutual guarantees provided between the Company and subsidiaries and between subsidiaries are as follows:

Units: RMB '0,000, USD '0,000, and EUR '0,000

Company	Guaranteed party	Currency	Guaranteed amount used	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Honggang Petrochemical Co., Ltd.	RMB	50,383.00	2019/9/20	2032/9/20	No
Jiangsu Eastern Shenghong	Jiangsu Honggang Petrochemical Co., Ltd.	RMB	7,622.00	2019/9/20	2032/9/20	No

Company	Guaranteed party	Currency	Guaranteed amount used	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Co., Ltd.						
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Honggang Petrochemical Co., Ltd.	RMB	53,472.22	2019/9/20	2032/9/20	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Honggang Petrochemical Co., Ltd.	RMB	35,648.15	2019/9/20	2032/9/20	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Honggang Petrochemical Co., Ltd.	RMB	21,388.89	2019/9/20	2032/9/20	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Honggang Petrochemical Co., Ltd.	RMB	10,694.44	2019/9/20	2032/9/20	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Hongjing New Materials Co., Ltd.	RMB	838,375.00	2023/3/24	2041/3/23	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Hongwei Chemical Co., Ltd.	RMB	250,093.45	2023/2/6	2037/3/23	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Shengze Gas Turbine Thermal Power Co., Ltd.	RMB	46,250.00	2019/9/10	2037/9/10	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	3,530,603.47	2020/11/13	2038/11/12	No
Jiangsu Shenghong Petrochemical Industry Group Co., Ltd., and the equity it holds in Sierbang Petrochemical	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	3,530,603.47	2023/9/22	2038/11/12	No
Jiangsu Eastern Shenghong	Shenghong Refining & Chemical	RMB	344,000.00	2022/6/30	2036/6/29	No

Company	Guaranteed party	Currency	Guaranteed amount used	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Co., Ltd.	(Lianyungang) Co., Ltd.					
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	350,000.00	2024/8/28	2029/8/23	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	148,831.00	2023/9/26	2028/9/25	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	149,900.00	2024/7/25	2029/7/25	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	99,900.00	2024/8/28	2029/8/28	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	375,800.00	2024/10/28	2028/10/31	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	47,500.00	2024/9/29	2028/9/29	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	23,546.00	2024/12/26	2028/12/31	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	146,711.77	2024/11/11	2028/10/20	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	133,233.80	2024/7/19	2028/7/17	No

Company	Guaranteed party	Currency	Guaranteed amount used	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	177,821.24	2024/12/17	2028/12/16	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	86,696.77	2025/3/4	2028/12/11	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	406,622.67	2025/3/4	2028/12/11	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	40,000.00	2025/6/4	2029/5/29	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	20,000.00	2025/3/31	2029/9/28	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	80,718.93	2025/2/25	2029/2/24	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	72,835.05	2024/8/29	2029/3/18	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	224,835.83	2024/8/29	2029/6/5	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	30,000.00	2025/2/19	2029/7/16	No
Jiangsu Eastern	Shenghong Refining &	RMB	298,366.94	2025/5/29	2029/5/28	No

Company	Guaranteed party	Currency	Guaranteed amount used	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Shenghong Co., Ltd.	Chemical (Lianyungang) Co., Ltd.					
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	61,221.99	2024/12/31	2028/12/31	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	111,284.64	2024/12/17	2028/12/17	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	107,991.01	2024/12/4	2028/12/4	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	88,386.00	2023/9/15	2032/12/13	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	9,999.28	2024/11/21	2028/9/30	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	10,000.00	2024/12/26	2028/11/30	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	9,744.00	2024/12/26	2028/11/30	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	10,000.00	2025/3/28	2029/2/28	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	10,203.17	2025/4/22	2029/4/21	No

Company	Guaranteed party	Currency	Guaranteed amount used	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
	Co., Ltd.					
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	25,132.07	2025/6/5	2027/12/2	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	295,479.28	2024/12/17	2028/11/29	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	13,570.39	2024/11/29	2027/12/31	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	51,816.17	2025/5/14	2029/5/13	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	71,618.44	2025/5/14	2029/5/13	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	RMB	50,000.00	2024/12/20	2028/12/19	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	USD	-	2025/3/18	2029/3/18	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	USD	6,866.34	2024/5/21	No maturity date	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	RMB	89,500.00	2025/1/16	2028/7/16	No

Company	Guaranteed party	Currency	Guaranteed amount used	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	RMB	-	2024/12/11	2028/6/10	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	RMB	50,000.00	2025/2/27	2030/2/27	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	RMB	20,000.00	2025/1/10	2028/4/14	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	RMB	190,000.00	2024/8/30	2028/8/30	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	RMB	70,000.00	2025/1/20	2026/7/16	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	RMB	65,000.00	2025/1/2	2025/11/24	No
Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	USD	3,390.75	2025/3/17	2027/4/15	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	USD	6,937.49	2025/1/1	2025/12/31	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	20,000.00	2024/11/26	2029/8/23	No
Jiangsu Eastern Shenghong	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	30,000.00	2024/11/26	2029/8/23	No

Company	Guaranteed party	Currency	Guaranteed amount used	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Co., Ltd.						
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	60,000.00	2025/6/25	2029/6/25	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	19,900.00	2024/12/16	2029/12/17	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	50,000.00	2024/3/8	2028/11/10	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	5,961.25	2025/4/9	2029/3/16	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	10,000.00	2024/1/2	2027/12/15	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	5,000.00	2024/11/29	2028/9/29	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	38,185.56	2024/7/19	2028/7/17	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	46,818.12	2023/12/6	2027/12/31	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	26,477.53	2024/11/28	2028/12/31	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	6,250.00	2023/1/29	2029/1/15	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	7,500.00	2023/1/29	2029/1/15	No



Company	Guaranteed party	Currency	Guaranteed amount used	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	10,500.00	2024/2/7	2030/2/15	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	15,750.00	2024/2/7	2030/2/15	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	36,666.67	2025/1/7	2030/1/7	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	40,000.00	2025/4/25	2033/4/27	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	40,000.00	2025/4/25	2030/4/27	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	63,056.68	2024/4/15	2028/4/14	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	5,000.00	2025/4/15	2029/4/14	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	24,800.00	2024/8/29	2028/12/26	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	20,770.24	2024/8/29	2029/3/25	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	34,986.13	2023/6/25	2031/6/25	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	5,000.00	2025/3/28	2029/3/28	No
Jiangsu Eastern	Jiangsu Sierbang Petrochemical Co.,	RMB	30,000.00	2025/3/13	2028/12/31	No

Company	Guaranteed party	Currency	Guaranteed amount used	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Shenghong Co., Ltd.	Ltd.					
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	25,000.00	2025/4/29	2029/4/27	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	RMB	70,000.00	2024/12/17	2028/12/17	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Shenghong Petrochemical Industry Group Co., Ltd.	RMB	3,500.00	2024/9/8	2028/12/8	No
Jiangsu Eastern Shenghong Co., Ltd.	Lianyungang Rongtai Chemical Warehousing Co., Ltd.	RMB	29,700.00	2024/10/29	2032/10/28	No
Jiangsu Eastern Shenghong Co., Ltd.	Liaoning Province Petroleum-chemical Industry Planning & Designing Institute Co., Ltd.	RMB	710.00	2025/1/15	2029/6/6	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong (Shanghai) New Material Technology Co., Ltd.	RMB	16,400.93	2024/10/31	2037/9/21	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	37,500.00	2024/1/1	2028/11/30	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	59,800.00	2024/12/23	2029/12/24	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	EUR	488.02	2024/12/23	2029/12/24	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	30,000.00	2025/1/13	2029/4/23	No

Company	Guaranteed party	Currency	Guaranteed amount used	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	20,000.00	2025/2/26	2028/10/27	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	105,107.45	2024/3/26	2034/3/21	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	40,000.00	2024/2/29	2030/2/28	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	33,333.34	2024/2/8	2029/2/8	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	10,900.00	2024/9/27	2029/3/20	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	10,000.00	2025/2/8	2029/4/22	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	20,000.00	2022/5/12	2029/5/16	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	23,000.00	2024/8/19	2028/11/5	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	29,571.50	2024/9/26	2028/12/9	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	59,900.00	2024/11/27	2029/11/20	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	42,525.77	2024/11/29	2028/11/28	No
Jiangsu Eastern	Jiangsu Guowang High-tech Fiber	RMB	15,000.00	2025/6/26	2029/6/24	No

Company	Guaranteed party	Currency	Guaranteed amount used	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Shenghong Co., Ltd.	Co., Ltd.					
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	11,573.00	2025/1/1	2028/12/29	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	15,000.00	2025/1/18	2029/1/15	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	1,400.00	2025/2/14	2029/2/12	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	10,000.00	2024/12/17	2028/12/17	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fiber Co., Ltd.	RMB	15,075.99	2025/1/9	2029/1/9	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Reborn Eco-tech Co., Ltd.	RMB	58,102.50	2021/12/21	2031/12/20	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Reborn Eco-tech Co., Ltd.	RMB	52,864.74	2022/1/20	2030/11/21	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Reborn Eco-tech Co., Ltd.	RMB	99,319.74	2022/3/24	2033/3/24	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Reborn Eco-tech Co., Ltd.	RMB	28,859.31	2022/6/1	2031/8/2	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Reborn Eco-tech Co., Ltd.	RMB	9,282.11	2024/5/22	2029/5/29	No
Jiangsu Eastern Shenghong Co., Ltd.	Guowang High-tech Fiber (Suqian) Co., Ltd.	RMB	37,288.00	2021/8/23	2031/3/1	No

Company	Guaranteed party	Currency	Guaranteed amount used	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Jiangsu Eastern Shenghong Co., Ltd.	Guowang High-tech Fiber (Suqian) Co., Ltd.	RMB	34,294.00	2021/8/23	2031/3/1	No
Jiangsu Eastern Shenghong Co., Ltd.	Guowang High-tech Fiber (Suqian) Co., Ltd.	RMB	52,194.00	2021/8/23	2031/3/1	No
Jiangsu Eastern Shenghong Co., Ltd.	Guowang High-tech Fiber (Suqian) Co., Ltd.	RMB	33,558.00	2021/8/23	2031/3/1	No
Jiangsu Eastern Shenghong Co., Ltd.	Guowang High-tech Fiber (Suqian) Co., Ltd.	RMB	15,806.40	2021/8/23	2031/3/1	No
Jiangsu Eastern Shenghong Co., Ltd.	Guowang High-tech Fiber (Suqian) Co., Ltd.	RMB	23,709.60	2021/8/23	2031/3/1	No
Jiangsu Eastern Shenghong Co., Ltd.	Siyang Yiyang Environmental Energy Co., Ltd.	RMB	4,541.10	2025/3/21	2035/12/28	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Zhonglu Technology Development Co., Ltd.	RMB	20,991.05	2024/11/8	2029/5/28	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Zhonglu Technology Development Co., Ltd.	RMB	20,000.00	2024/12/25	2028/12/30	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Zhonglu Technology Development Co., Ltd.	RMB	10,000.00	2024/7/23	2028/10/22	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Zhonglu Technology Development Co., Ltd.	RMB	12,500.00	2024/10/31	2030/10/30	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Suzhou Suzhen Biological Engineering Co., Ltd.	RMB	5,000.00	2024/9/27	2029/3/17	No
Jiangsu Guowang	Jiangsu Ganghong	RMB	36,228.50	2021/6/28	2031/7/6	No

Company	Guaranteed party	Currency	Guaranteed amount used	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
High-tech Fiber Co., Ltd.	Fiber Co., Ltd.					
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Ganghong Fiber Co., Ltd.	RMB	30,000.00	2024/12/24	2029/1/19	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Ganghong Fiber Co., Ltd.	RMB	5,000.00	2024/9/27	2029/3/19	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Ganghong Fiber Co., Ltd.	RMB	30,000.00	2024/10/17	2028/10/29	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Ganghong Fiber Co., Ltd.	RMB	22,000.00	2023/12/20	2029/1/14	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Ganghong Fiber Co., Ltd.	RMB	38,000.00	2024/11/8	2029/7/13	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Ganghong Fiber Co., Ltd.	RMB	39,950.00	2024/12/10	2029/6/19	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Ganghong Fiber Co., Ltd.	RMB	20,000.00	2024/12/10	2028/12/13	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Suzhou Shenghong Fiber Co., Ltd.	RMB	1,000.00	2023/12/20	2028/12/5	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Suzhou Shenghong Fiber Co., Ltd.	RMB	23,767.36	2024/11/8	2028/12/19	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Suzhou Shenghong Fiber Co., Ltd.	RMB	25,300.00	2024/12/23	2029/6/11	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Suzhou Shenghong Fiber Co., Ltd.	EUR	43.05			No

Company	Guaranteed party	Currency	Guaranteed amount used	Guarantee commencement date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Jiangsu Guowang High-tech Fiber Co., Ltd.	Suzhou Shenghong Fiber Co., Ltd.	RMB	19,940.00	2024/2/2	2029/1/10	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Suzhou Shenghong Fiber Co., Ltd.	RMB	15,560.00	2025/2/14	2028/9/28	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Suzhou Shenghong Fiber Co., Ltd.	RMB	10,000.00	2024/9/27	2028/12/18	No
Jiangsu Eastern Shenghong Co., Ltd.	Suzhou Shenghong Fiber Co., Ltd.	RMB	30,000.00	2025/2/8	2029/3/24	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Eastern Shenghong Co., Ltd.	RMB	94,700.00	2022/01/01	2029/12/28	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Eastern Shenghong Co., Ltd.	RMB	12,390.00	2022/02/28	2029/12/28	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Eastern Shenghong Co., Ltd.	RMB	6,000.00	2022/03/29	2029/12/28	No
Jiangsu Guowang High-tech Fiber Co., Ltd.	Jiangsu Eastern Shenghong Co., Ltd.	RMB	24,000.00	2022/04/15	2029/12/28	No
Jiangsu Shenghong Petrochemical Industry Group Co., Ltd.	Jiangsu Eastern Shenghong Co., Ltd.	RMB	95,900.00	2023/12/08	2028/12/01	No
Jiangsu Shenghong Petrochemical Industry Group Co., Ltd.	Jiangsu Eastern Shenghong Co., Ltd.	RMB	39,420.00	2023/12/08	2028/12/01	No

## **XVI. Other significant events**

### **1. Segment information**

#### **(1) Determination basis and accounting policies for reportable segments**

The Company determines the operating segment based on the internal organizational structure, management requirements and internal reporting system and the report segment based on the operating segment.

The operating segment includes the Company's constituent parts meeting the following conditions at the same time: ① These constituent parts can generate revenue and incur expenses during the routine activities; ② management of the Company is able to make the regular assessment on the operating results of these constituent parts, so as to decide the resource distribution made therefor and assess the performance thereof; ③ The Company is able to obtain such accounting-related information as financial condition, operating results and cash flows of these constituent parts.

Reporting segments of the Company include: ① Chemical fiber segment ② electricity and heat segment ③ petrochemical segment ④ headquarters and others

Segment reporting information is disclosed in accordance with the accounting policies and measurement standards adopted by each segment when reporting to the management. These measurement basis is consistent with the accounting and measurement basis used in preparing the financial statements.



**(2) Financial information in these reporting segments**

Monetary Unit: RMB

Item	Fiber segment	Electricity and heat segment	Petrochemical segment	Headquarters and others	Sub-total	Inter-segment offset	Total
Operating income	11,281,607,929.38	396,434,193.52	53,408,067,019.79	88,725,876.80	65,174,835,019.49	-4,258,416,284.92	60,916,418,734.57
Operating costs	10,546,601,807.43	266,399,557.07	48,150,705,545.58	21,100,476.77	58,984,807,386.85	-4,246,113,545.04	54,738,693,841.81
Total assets	33,933,421,974.18	2,073,839,823.44	180,028,906,838.54	66,135,625,639.78	282,171,794,275.94	-68,837,000,420.62	213,334,793,855.32
Total liabilities	20,079,822,376.93	874,048,811.56	142,459,959,595.78	27,320,407,284.73	190,734,238,069.00	-15,374,753,738.03	175,359,484,330.97

**XVII. Notes to the main items of the parent company's financial statements****1. Accounts receivable****(1) Disclosure by aging**

Monetary Unit: RMB

Aging	Book balance as at June 30, 2025	Book balance as at January 1, 2025
Within 1 year (including 1 year)	673,187,587.30	71,473,945.27
1 - 2 years		50,974,773.26
Over 3 years		554,632.00
Sub-total	673,187,587.30	123,003,350.53
Less: provision for bad debts	1,480,239.18	2,836,284.99
Total	671,707,348.12	120,167,065.54

**(2) Disclosure based on the method of provision for bad debts by category**

Monetary Unit: RMB

Type	Balance as at June 30, 2025					Balance as at January 1, 2025				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Accounts receivable with provision for bad debts made individually										
Accounts receivable with provision for bad debts made by portfolio	673,187,587.30	100.00%	1,480,239.18	0.22%	671,707,348.12	123,003,350.53	100.00%	2,836,284.99	2.31%	120,167,065.54
Total	673,187,587.30	100.00%	1,480,239.18	0.22%	671,707,348.12	123,003,350.53	100.00%	2,836,284.99	2.31%	120,167,065.54

Category of provision for bad debts made by portfolio:

Monetary Unit: RMB

Portfolio name	Balance as at June 30, 2025		
	Book balance	Provision for bad debts	Proportion of provision
Related-party portfolio	643,582,803.62		
Accounts receivable with the provision for bad debts made by the aging analysis method	29,604,783.68	1,480,239.18	5.00%
Total	673,187,587.30	1,480,239.18	

Description of the basis for determining the portfolio: None

If the provision for bad debts of accounts receivable is made according to the general model of expected credit losses:

☐Applicable ☒Not applicable**(3) Provision, recovery or reversal of provision for bad debts in the current period**

Provision for bad debts in the current period:

Monetary Unit: RMB

Type	Balance as at January 1, 2025	Increase or decrease in current period				Balance as at June 30, 2025
		Provision	Recovery or reversal	Charge-off	Others	
Provision for bad debts of accounts receivable	2,836,284.99		801,413.81	554,632.00		1,480,239.18
Total	2,836,284.99		801,413.81	554,632.00		1,480,239.18

**(4) Accounts receivable actually charged off in the current period**

None

**(5) Top 5 of accounts receivable as at June 30, 2025, presented by the debtor**

Monetary Unit: RMB

Enterprise name	Balance of accounts receivable as at June 30, 2025	Percentage of total carrying amount of accounts receivable as at June 30, 2025	Balance of provision for bad debts of accounts receivable as at June 30, 2025
Entity 1	639,920,697.71	95.06%	
Entity 2	6,408,632.83	0.95%	320,431.64
Entity 3	3,502,503.01	0.52%	175,125.15
Entity 4	2,964,902.11	0.44%	
Entity 5	2,724,135.89	0.40%	136,206.79
Total	655,520,871.55	97.37%	631,763.58

**2. Other receivables**

Monetary Unit: RMB

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
Other receivables	1,525,235,388.30	1,478,957,507.14
Total	1,525,235,388.30	1,478,957,507.14

**(1) Other receivables****1) Category of other receivables by nature**

Monetary Unit: RMB

Nature	Book balance as at June 30, 2025	Book balance as at January 1, 2025
Advance payments and receivables	1,523,970,618.34	1,477,705,705.89
Various types of deposits and security deposits	1,284,486.13	1,284,486.13
Petty cash	18,768.25	5,838.30
Total	1,525,273,872.72	1,478,996,030.32

**2) Disclosure by aging**

Monetary Unit: RMB

Aging	Book balance as at June 30, 2025	Book balance as at January 1, 2025
Within 1 year (including 1 year)	1,096,238,850.23	1,098,070,837.83
1 - 2 years	247,484,036.13	365,984,206.13
2 - 3 years	179,610,000.00	14,910,000.00
Over 3 years	1,940,986.36	30,986.36
Sub-total	1,525,273,872.72	1,478,996,030.32
Less: provision for bad debts	38,484.42	38,523.18
Total	1,525,235,388.30	1,478,957,507.14

**3) Disclosure based on the method of provision for bad debts by category**

Monetary Unit: RMB

Category	Balance as at June 30, 2025					Balance as at January 1, 2025				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Provision for bad debts made individually										
Provision for bad debts made by portfolio	1,525,273,872.72	100.00%	38,484.42	0.00%	1,525,235,388.30	1,478,996,030.32	100.00%	38,523.18	0.00%	1,478,957,507.14
Total	1,525,273,872.72	100.00%	38,484.42	0.00%	1,525,235,388.30	1,478,996,030.32	100.00%	38,523.18	0.00%	1,478,957,507.14

Category of provision for bad debts made by portfolio:

Monetary Unit: RMB

Portfolio name	Balance as at June 30, 2025		
	Book balance	Provision for bad debts	Proportion of provision
Related-party portfolio	1,525,092,925.03		
Aging portfolio	180,947.69	38,484.42	21.27%
Total	1,525,273,872.72	38,484.42	

Description of the basis for determining the portfolio: None

The provision for bad debts is made according to the general model of expected credit losses:

Monetary Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	12-month expected credit loss	Lifetime expected credit loss (without credit impairment)	Lifetime expected credit loss (with credit impairment)	
Balance as at January 1, 2025	38,523.18			38,523.18
Balance as at January 1, 2025 in the current period				
Provision for this period				
Recovery or reversal for this period	38.76			38.76
Balance as at June 30, 2025	38,484.42			38,484.42

Basis for the division of each stage and the proportion of provision for bad debts

Changes in the book balance of the provision for losses with significant changes in amount in the current period

☐Applicable ☒Not applicable

#### 4) Provision, recovery or reversal of provision for bad debts in the current period

Provision for bad debts in the current period:

Monetary Unit: RMB

Category	Balance as at January 1, 2025	Increase or decrease in current period				Balance as at June 30, 2025
		Provision	Recovery or reversal	Write-off or charge-off	Others	
Provision for bad debts of other receivables	38,523.18	0.00	-38.76	0.00	0.00	38,484.42
Total	38,523.18	0.00	-38.76	0.00	0.00	38,484.42

In which, reversal or recovery with significant amount of provision for bad debts in 2020:

None

**5) Top 5 of other receivables as at June 30, 2025, presented by debtor**

Monetary Unit: RMB

Enterprise name	Nature	Balance as at June 30, 2025	Aging	Proportion in the total amount of the ending balance of other receivables (%)	Balance of provision for bad debts as at June 30, 2025
Entity 1	Current amounts	508,547,222.23	0-1 year	33.34%	
Entity 2	Current amounts	500,041,666.67	0-1 year	32.78%	
Entity 3	Current amounts	294,130,000.00	0-1 year, 1-2 years, 2-3 years or over 3 years	19.28%	
Entity 4	Current amounts	110,750,000.00	0-1 year, 1-2 years	7.26%	
Entity 5	Current amounts	94,842,800.00	0-1 year, 1-2 years, 2-3 years	6.22%	
Total		1,508,311,688.90		98.88%	

**3. Long-term equity investments**

Monetary Unit: RMB

Item	Balance as at June 30, 2025			Balance as at January 1, 2025		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	53,918,095,047.08		53,918,095,047.08	54,038,095,047.08		54,038,095,047.08
Investments in associates and joint ventures	21,303,160.28		21,303,160.28	21,261,342.92		21,261,342.92
Total	53,939,398,207.36		53,939,398,207.36	54,059,356,390.00		54,059,356,390.00

**(1) Investments in subsidiaries**

Monetary Unit: RMB

Investee	Balance (Book value) as at January 1, 2025	Balance of provision for impairment as at January 1, 2025	Increase or decrease in current period				Balance (Book value) as at June 30, 2025	Balance of provision for impairment as at June 30, 2025
			Additional investment	Negative investment	Provision for impairment	Others		
Jiangsu Shengze Dongfang Hengchuang Energy Co., Ltd.	120,000,000.00			120,000,000.00				
Jiangsu	346,850,000.00						346,850,000.00	



Investee	Balance (Book value) as at January 1, 2025	Balance of provision for impairment as at January 1, 2025	Increase or decrease in current period				Balance (Book value) as at June 30, 2025	Balance of provision for impairment as at June 30, 2025
			Additional investment	Negative investment	Provision for impairment	Others		
Shengze Gas Turbine Thermal Power Co., Ltd.								
Jiangsu Shenghong Petrochemical Industry Group Co., Ltd.	37,900,072,645.30						37,900,072,645.30	
Jiangsu Shenghong Chemical Fiber New Materials Co., Ltd.	15,162,999,999.81						15,162,999,999.81	
Shenghong Petrochemical Group Shanghai New Materials Co., Ltd.	2,993,519.91						2,993,519.91	
Shenghong (Shanghai) New Material Technology Co., Ltd.	174,000,000.00						174,000,000.00	
Suzhou Shengze Marketing Management Co., Ltd.	331,178,882.06						331,178,882.06	
Total	54,038,095,047.08			120,000,000.00			53,918,095,047.08	

**(2) Investments in associates and joint ventures**

Monetary Unit: RMB

Investee	Balance (Book value) as at January 1, 2025	Balance of provision for impairment as at January 1, 2025	Increase or decrease in current period								Balance (Book value) as at June 30, 2025	Balance of provision for impairment as at June 30, 2025
			Additional investment	Negative investment	Profit or loss on investments recognized by the equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
I. Associates												
Tianjiao Technology Venture Capital Co., Ltd.	21,261,342.92				41,817.36						21,303,160.28	
Total	21,261,342.92				41,817.36						21,303,160.28	

The recoverable amount is determined at fair value, net of disposal costs.

☐Applicable ☒Not applicable

The recoverable amount is determined at the present value of estimated future cash flows

☐Applicable ☒Not applicable

#### 4. Operating income and operating costs

Monetary Unit: RMB

Item	Current period		Prior period	
	Income	Costs	Income	Costs
Primary business	373,387,716.26	232,040,705.84	458,508,025.31	309,607,111.75
Other business	57,200,757.69	237,394.81	3,157,084,141.29	3,119,183,635.26
Total	430,588,473.95	232,278,100.65	3,615,592,166.60	3,428,790,747.01

#### 5. Investment income

Monetary Unit: RMB

Item	Current period	Prior period
Income from long-term equity investments calculated under equity method	41,817.36	150,462.21
Investment income from disposal of long-term equity investments	-2,182,345.99	
Investment income from financial assets held for trading during the holding period		2,524,209.48
Investment income from disposal of financial assets held for trading	2,817,331.48	1,223,824.64
Total	676,802.85	3,898,496.33

### XVIII. Supplementary information

#### 1. Breakdown of current non-recurring profit or loss

☒Applicable ☐Not applicable

Monetary Unit: RMB

Item	Amount	Description
Profit or loss on disposal of non-current assets	-8,236,992.47	
Government grants included in the current profit or loss (except for government grants closely related with the normal business of the Company, in line with the policies and provisions of the State and those that have continuous influence on the Profits and losses of the Company according to the determined standards)	52,180,883.68	
The profit or loss from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and the profit or loss from the disposal of financial assets and financial liabilities, except the effective hedging relevant to the Company's	77,124,180.39	

Item	Amount	Description
normal business		
Other non-operating income and expenditures than the above-mentioned items	19,189,579.38	
Less: affected amount of income tax	23,840,191.37	
Affected amount of minority equity (after tax)	1,896,324.64	
Total	114,521,134.97	--

Other items of profit or loss subject to the definition of non-recurring profit or loss:

☐Applicable ☒Not applicable

The Company had no other specific gain and loss items that meet the definition of non-recurring gains and losses.

Explanations on defining the non-recurring profit or loss listed in Explanatory Announcement for Information Disclosure by Companies Publicly Issuing Securities No. 1 - Non-recurring Profit or Loss

☐Applicable ☒Not applicable

## 2. Rate of return on net assets and earnings per share

Profit during the reporting period	Weighted average return on equity of net assets	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to common shareholders of the Company	1.13%	0.06	0.06
Net profit attributable to common shareholders of the Company after the deduction of non-recurring profits or losses	0.79%	0.04	0.04

## 3. Differences in accounting data under domestic and foreign accounting standards

**(1) Differences between the net profit and net assets in the financial statements disclosed according to the international accounting standards and those disclosed according to the Chinese accounting standards** ☐Applicable ☒Not applicable

☐Applicable ☒Not applicable

**(2) Difference between net profits and net assets in the financial report disclosed in accordance with foreign accounting standards and Chinese accounting standards at the same time**

☐Applicable ☒Not applicable

**(3) In the description of differences in accounting data under the domestic and foreign accounting standards, in case of difference adjustment to the data audited by the overseas audit organization, names of the corresponding overseas companies should be specified**

☐Applicable ☒Not applicable

## Section IX Other Submitted Data

### I. Other major social security issues

Whether the Listed Company and its subsidiaries have any other major social security issue

☐ Yes ☐ No ☒ Not applicable

Whether they had been subject to any administrative punishment during the reporting period

☐ Yes ☒ No ☐ Not applicable

### II. Registration form of reception of research, communication and interview activities during the reporting period

☒ Applicable ☐ Not applicable

Date	Location	Way	Type of the reception object	Reception object	Main contents discussed and the information provided	Index to the basics of research
April 29, 2025	Teleconferencing	Telephone communication	Institution	Online investor	Operation, future development of the Company	CNINFO: Record of Investor Relations Activities (No. 2025-001)
May 20, 2025	Value Online (https://www.ir-online.cn/) Internet interaction	Online communication via a network platform	Institution, individual or others	Online investor	Operation, future development of the Company	CNINFO: Record of Investor Relations Activities (No. 2025-002)

### III. Capital transactions between the Listed Company and holding shareholders and other related parties

☒ Applicable ☐ Not applicable

Monetary unit: RMB '0,000

Counterparty	Transaction nature	Balance as at January 1, 2025	Amount incurred in the reporting period	Amount repaid in the reporting period	Balance as at June 30, 2025	Interest income	Interest expenses
Sheng Hong Group Co., Ltd.	Operating transaction	564.96	2,474.11	2,733.69	305.38		
Wujiang Jiayu Industrial Development Co., Ltd.	Operating transaction	574.27	2,135.02	2,170.43	538.86		
Wujiang	Operating	87.75	338.42	356.24	69.93		

Counterparty	Transaction nature	Balance as at January 1, 2025	Amount incurred in the reporting period	Amount repaid in the reporting period	Balance as at June 30, 2025	Interest income	Interest expenses
Feixiang Printing and Dyeing Co., Ltd.	transaction						
Jiangsu Shengbang New Materials Co., Ltd.	Operating transaction	60	55.67	60	55.67		
Jiangsu Lvhe'an Technology Co., Ltd.	Operating transaction	0	1,212.23	728.69	483.54		
Xintiandi Textile Printing and Dyeing (Jiaxing) Co., Ltd.	Operating transaction	2.67	26.28	22.74	6.21		
Suzhou Xinmin Printing and Dyeing Co., Ltd.	Operating transaction	1.33	8.25	9.5	0.08		
Jiaxing Jiasheng Printing and Dyeing Co., Ltd.	Operating transaction	1.07	7.52	6.74	1.85		
Suzhou Pingwang Bleaching and Dyeing Co., Ltd.	Operating transaction	0.86	9.32	7.98	2.20		
Jiaxing Jiasheng New Material Technology Co., Ltd.	Operating transaction	0.51	5.91	5.48	0.94		
Shenghong Petrochemical Group Co., Ltd.	Operating transaction	3.69		3.69	0.00		
Jiangsu Shenghong Energy & Chemical New Materials Co., Ltd.	Non-Operating transaction	28,413.00	1,000.00		29,413.00		
Jiangsu Sierbang Petrochemical Co., Ltd.	Non-Operating transaction	50,458.06		458.06	50,854.72	854.72	
Jiangsu Shenghong Petrochemical Industry Group Co., Ltd.	Non-Operating transaction	48,842.95		152,000.00	103,157.05	-	
Jiangsu Zhonglu	Non-	0.02		0.02	0.00		

Counterparty	Transaction nature	Balance as at January 1, 2025	Amount incurred in the reporting period	Amount repaid in the reporting period	Balance as at June 30, 2025	Interest income	Interest expenses
Technology Development Co., Ltd.	Operating transaction						
Shenghong (Shanghai) New Material Technology Co., Ltd.	Non-Operating transaction	11,110.00	2,645.00	2,680.00	11,075.00		
Shenghong (Jiangsu) Advanced Materials Research Institute Co., Ltd.	Non-Operating transaction	7,379.28	2,105.00		9,484.28		
Shenghong Petrochemical Group Shanghai New Materials Co., Ltd.	Non-Operating transaction	1,550.00			1,550.00		
Jiangsu Hongjing New Materials Co., Ltd.	Non-Operating transaction	0.00	50,000.00		50,004.17	4.17	
Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.	Operating transaction	128.12			128.12		
Jiangsu Honggang Petrochemical Co., Ltd.	Operating transaction	-18,757.47	274,654.54	191,905.00	63,992.07		
Suzhou Suzhen Bioengineering Co., Ltd.	Operating transaction	1,936.45	5,686.08	7,622.53	0.00		
Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.	Operating transaction	5,097.48		5,097.48	0.00		
Lianyungang Hongyang Thermoelectricity Co., Ltd.	Operating transaction	3,283.44	10,744.93	5,591.54	8,436.83		
Total	--	140,738.44	353,108.28	371,459.81	123,245.8	858.89	
Relevant decision-making procedures:	On December 27, 2024, the Company held the 24 <sup>th</sup> meeting of the 9 <sup>th</sup> Board of Directors, adopting upon deliberation the Proposal on the Anticipation of Routine Related Transactions in 2025. Such proposal had been adopted upon deliberation at the first extraordinary general						

Counterparty	Transaction nature	Balance as at January 1, 2025	Amount incurred in the reporting period	Amount repaid in the reporting period	Balance as at June 30, 2025	Interest income	Interest expenses
	meeting of the Company for 2025.						
Capital security arrangement	The above capital transactions of the Company are based on business demand, and the security risks therein are controllable. The Company has established and improved the necessary internal system to ensure the capital security, and has established the necessary examination and approval process in accordance with the internal system requirements, by which relevant business must be approved by the corresponding authority management personnel, and the internal audit department of the Company and the accounting firm hired by the Company will also audit the above capital transactions to ensure the capital security.						

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

**Chairman: Miao Han'gen**

**August 29, 2025**