

Jiangsu Eastern Shenghong Co., Ltd.

Annual Report for the Year Ended December 31, 2024

April 2025

Annual Report for Year 2024

Section I Important notes, table of contents and definitions

The board of directors, board of supervisors, directors, supervisors and senior managements of the Company undertake that the information presented in the 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 chief accountant, and Hu Guiyang, the chief finance officer (person in charge of accounting), state: they ensure that the financial report in this annual report is true, accurate and complete.

All directors have attended the board meeting at which this 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. Prospect of future development of the Company" of Section III of this report. Investors should pay attention and read carefully.

The Company plans not to distribute cash dividends, bonus shares and convert reserves into share capital.

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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 (chief accountants) and sealed.
- II. The original auditor's report affixed with the seal of the accounting firm and the signature and seal of the certified public accountant.
- III. Originals of all documents and announcements of the Company publicly disclosed on the website designated by the China Securities Regulatory Commission during the reporting period.
- IV. Body of the annual report.

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., the enterprise controlled by the actual controller of the Listed Company and indirectly controlling Shenghong Technology
Shenghong Petrochemical	Refers to	Shenghong Petrochemical Group Co., Ltd., the enterprise controlled by the actual controller of the Listed Company
Bohong Industrial	Refers to	Lianyungang Bohong Industrial Co., Ltd., the enterprise controlled by the actual controller of the Listed Company
Shenghong New Materials	Refers to	Jiangsu Shenghong New Materials Group Co., Ltd., the 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 Listed Company
Suzhen Bioengineering	Refers to	Suzhou Suzhen Bioengineering Co., Ltd., a holding subsidiary of the Listed Company

Term	Refers to	Definition
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
Shengze Combustion Engine Cogeneration	Refers to	Jiangsu Shengze Combustion Engine Cogeneration Co., Ltd., 100% equity of which is controlled by the Listed Company
Haigesi New Energy	Refers to	Hubei Haigesi New Energy Co., Ltd., 100% equity of which is controlled by the Listed Company
Rongtai Chemical	Refers to	Lianyungang Rongtai Chemical Storage 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 such fields 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 such fields as lithium electric diaphragm, aerospace, ocean engineering, rail transit, and petrochemical
AN	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, methyl ester	Refers to	Methyl Methacrylate, a kind of important chemical raw materials 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 washing, pharmaceutical, and printing and dyeing industries
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 under the action of catalyst, including polycarboxylic acid water reducer

Term	Refers to	Definition
		monomers, and nonionic surfactants
MTO	Refers to	Methanol to Olefins, the process of producing low-carbon olefins with the 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. It can be used in lithium battery electrolytes and also serves as an active intermediate for the production of lubricating oils and greases
DMC	Refers to	Dimethyl carbonate, an important organic synthesis intermediate that can be used in the preparation of polycarbonate, pharmaceuticals, pesticides, and other chemical synthesis fields. It can also be used in the paint, coating, and adhesive industries as a substitute for some toxic solvents
CHDM	Refers to	1,4-Cyclohexanedimethanol, a symmetrically structured alicyclic diol that serves as an important raw material for synthesizing resins, fibers, dyes, and pharmaceuticals. It is widely used in various fields such as packaging, automotive, medical, electronics, and construction
PETG	Refers to	Polyethylene terephthalate-1,4-cyclohexanedimethylene terephthalate is a transparent, non-crystalline copolyester that can be widely used in areas such as sheets, films, high-performance shrink films, bottles, and profile materials
PTT	Refers to	Polytrimethylene terephthalate, a new type of polyester fiber that combines the characteristics of polyester, nylon, and acrylic fibers. In addition to excellent stain resistance, it is easy to dye, has a soft hand feel, is elastic, and is easier to process, making it suitable for use as textile and apparel fabric
PDO	Refers to	1,3-Propanediol is a polymer monomer that exhibits excellent synthetic performance and is a key raw material for the production of unsaturated polyesters, 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
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 the certain elasticity and contractility

Term	Refers to	Definition
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 Depository Receipts
Reporting period, current period	Refers to	From January 1, 2024 to December 31, 2024

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		
Registered address	No. 289 Dengzhou Road, Shengze Town, Wujiang District, Suzhou City, Jiangsu Province		
Zip code of the registered address	215228		
Historical change of registered address	In July 1998 when it was established, its registered address was Shunxin Middle Road, Shengze Town, Wujiang City; in November 1998, its registered address was changed to No.39 Shunxin Middle Road, Shengze Town, Wujiang City; in June 2006, its registered address was changed to Silk Stock Building, Shichang Road, Shengze Town, Wujiang City, Jiangsu Province; in December 2018, its registered address was changed to No.73 Shichang East Road, Shengze Town, Wujiang District, Suzhou City, Jiangsu Province; in December 2024, its registered address was changed to No. 289 Dengzhou Road, Shengze Town, Wujiang District, Suzhou City, Jiangsu Province.		
Office address	West Tower, R&D Building, National Advanced Functional Fiber Innovation Center, No. 289, Dengzhou Road, Shengze Town, Wujiang District, Suzhou City, Jiangsu Province		
Zip code of office address	215228		
Website of the Company	http://www.jsessh.com		
E-mail	tzzgx@jsessh.com		

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 Tower, 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. Information disclosure and storage location

Stock exchange website for the disclosure	Shenzhen Stock Exchange (website: http://www.szse.cn)
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of the annual report of the Company	
Media name and website for the disclosure of the annual report of the Company	CNINFO (website: http://www.cninfo.com.cn), STCN, China Securities Journal, and Shanghai Securities News
Storage location of annual reports	Board Secretary's Office

IV. Changes in registration

Unified social credit code	91320500704043818X
Changes in primary business of the Company since its listing	<p>In May 2000 when the Company was listed, the primary business of the Company included: chemical fibers (polyester filaments), polyester chips, real silk, cotton fabrics, electric embroidery products, electricity, hot steam, commercial housing, and residential commodity housing; lease of business premises.</p> <p>In 2008 when the Company completed major assets replacement, the primary business of the Company was changed to: thermal power production, real estate development, and business room rental, etc.</p> <p>In 2018 when the Company completed the transaction of purchasing 100% equity of Guowang High-Tech by issuing shares and major asset reorganization, the primary business of the Company was changed to: research and development, production and sales of domestic polyester filaments as the core, supplemented by thermal power and other business.</p> <p>In 2019 when the Company acquired 100% equity of Honggang Petrochemical and Shenghong Refining & Chemical, and formed a "PTA-polyester-chemical fiber" business structure, the primary business of the Company included: research and development, production and sales of domestic polyester filaments, and production and sales of PTA and thermal power, etc.</p> <p>In 2021 when the Company completed the transfer of the ownership of the underlying assets, namely, 100% equity of Sierbang Petrochemical purchased by issuing shares and paying cash, the primary business of the Company included: petrochemical and chemical new materials, polyester chemical fiber and other industrial fields.</p>
Changes in the controlling shareholder	<p>In August 2018, the Company completed the transaction of purchasing 100% equity of Guowang High-Tech by issuing shares and major asset reorganization. Before the reorganization, the controlling shareholder of the Company was Jiangsu Wujiang Silk Group Co., Ltd., and the actual control was State-owned Assets Supervision and Administration Office of the People's Government of Wujiang District, Suzhou City. After the reorganization, the controlling shareholder of the Company was changed to Jiangsu Shenghong Technology Co., Ltd., and the actual controller was changed to the couple Miao Han'gen and Zhu Hongmei.</p>

V. Other relevant information

Accounting firm hired by the Company

Name of the accounting firm	BDO CHINA Shu Lun Pan Certified Public Accountants LLP
Office address of the accounting firm	Floor 4, No. 61, Nanjing East Road, Huangpu District, Shanghai
Signed accountants	Zhu Ying, Tang Yi

Sponsor hired by the Company to perform continuous supervision duties in the reporting period

☐Applicable ☒Not applicable

Financial adviser hired by the Company to perform continuous supervision duties in the reporting period

☐Applicable ☒Not applicable

VI. Major accounting data and financial indicators

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

☐Yes ☒No

	Year 2024	Year 2023	YoY increase or decrease	Year 2022
Operating revenue (RMB)	137,674,557,166.85	140,439,738,058.63	-1.97%	63,872,900,064.79
Net profit attributable to shareholders of the listed company (RMB)	-2,296,841,255.74	717,031,594.87	-420.33%	611,000,794.98
Net profit attributable to shareholders of listed company after deduction of non-recurring profit and loss (RMB)	-2,653,831,987.53	217,093,480.12	-1,322.44%	85,069,376.89
Net cash flows from operating activities (RMB)	10,474,825,680.95	8,342,940,306.17	25.33%	1,741,736,080.88
Basic earnings per share (RMB/share)	-0.35	0.11	-418.18%	0.10
Diluted earnings per share (RMB/share)	-0.35	0.11	-418.18%	0.09
Return on weighted average net assets	-6.73%	1.98%	Decreasing by 8.71ppt	2.07%
	As at the end of 2024	As at the end of 2023	YoY increase or decrease	As at the end of 2022
Total assets (RMB)	204,312,488,701.89	190,214,802,161.82	7.41%	170,778,159,185.70
Net assets attributable to shareholders of listed company (RMB)	34,033,834,904.63	35,451,093,147.62	-4.00%	36,302,893,877.81

The lower of the Company's net profit before and after deducting non-recurring gains and losses was negative in the last three fiscal years, and audit report for the latest year showed that there was uncertainty in the Company's going-concern ability

☐Yes ☒No

The lower of the total profits, net profit before and after deducting non-recurrent gains and losses was negative in the Company's most recent fiscal year.

☒Yes ☐No

Item	Year 2024	Year 2023	Remark
Operating revenue (RMB)	137,674,557,166.85	140,439,738,058.63	
Amount deducted from operating revenue (RMB)	1,198,190,094.92	14,859,898,858.45	Sales of materials, energy power, waste, etc.

Item	Year 2024	Year 2023	Remark
Operating income after deducted (RMB)	136,476,367,071.93	125,579,839,200.18	

VII. 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.

VIII. Main financial indicators by quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	36,738,885,261.85	36,094,676,336.82	35,467,823,335.08	29,373,172,233.10
Net profit attributable to shareholders of the listed company	246,888,251.61	71,686,120.70	-1,737,636,852.18	-877,778,775.87
Net profit attributable to shareholders of listed company after deduction of non-recurring profit and loss	86,270,488.25	15,800,828.82	-1,495,748,716.74	-1,260,154,587.86
Net cash flows from operating activities	981,011,987.36	1,039,415,918.20	1,333,583,139.72	7,120,814,635.67

Whether there is any material difference between the above financial indicators or their total and the relevant financial indicators disclosed by the Company in the quarterly report and semi-annual report

☐Yes ☒No

IX. Items and amounts of non-recurring gains and losses

☒Applicable ☐Not applicable

Unit: RMB

Item	Year 2024	Year 2023	Year 2022	Remark
Profit or loss on disposal of non-current assets (including the write-off in accrued provision for impairment of assets)	98,582,061.14	91,517,270.12	481,218,050.71	
Government grants included in the current profit or loss (except for government grants closely related with to the normal business of the Company, in line with the policies	545,663,988.88	362,491,654.49	113,128,393.46	

Item	Year 2024	Year 2023	Year 2022	Remark
and provisions of the State and those that have continuous influence on the profits and losses of the Company according to the determined standards)				
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 normal business	93,704,950.85	-13,261,491.57	-14,061,568.84	
Profit or loss from assets investment or management entrusted to other persons	118,549.31		721,617.52	
Income from the fair value of net identifiable assets an enterprise may enjoy in the investee less the investment cost for which the enterprise may acquire any subsidiary, associate or joint venture	2,623,546.67			
Current net profit or loss of the subsidiaries from the enterprise merger under the same control from the beginning of the period to the combination date		59,468,688.71	47,290,143.59	
One-time effect on the current profit or loss due to the adjustment to the laws and regulations regarding taxation or accounting			3,634,531.80	
Other non-operating income and expenditures except the above-mentioned items	-218,204,651.72	88,228,236.46	33,229,231.60	
Less: affected amount of income tax	141,235,358.66	89,942,629.64	144,765,979.19	
Affected amount of minority equity (after tax)	24,262,354.68	-1,436,386.18	-5,536,997.44	
Total	356,990,731.79	499,938,114.75	525,931,418.09	--

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 profits or losses listed in *the Explanatory Announcement No.1 on Information Disclosure by Companies that Issue Securities to the Public - Non-recurring Profit or Loss* as recurring profits or losses

☐Applicable ☒Not applicable

There was no case that non-recurring profit or loss listed in *the Explanatory Announcement No.1 on Information Disclosure by Companies that Issue Securities to the Public - 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 macro economy with steady progress

In 2024, China's national economy maintained generally stable performance with steady progress, achieved solid advancements in high-quality development. The new quality productive forces demonstrated consistent growth, while the nation's economic strength, scientific and technological capabilities, and comprehensive national power continued to strengthen. According to data from the National Bureau of Statistics, China's GDP reached a new milestone of RMB 134.9 trillion in 2024, marking the first time it exceeded the threshold of RMB 130 trillion, with a year-on-year growth of 5%. Globally, China's 5% growth rate ranks among the fastest of major economies. The economic increment generated is equivalent to the annual GDP of a mid-sized economy, with its contribution to global growth estimated at around 30%.

In 2024, China's economic performance demonstrated a trajectory of strong start, moderate mid-year, and upward momentum later in the year, fully showcasing the resilience and potential of the Chinese economy. Confronted with complex and severe challenges, the CPC Central Committee has dynamically enhanced macro-regulation with well-timed, targeted measures. Through decisive implementation of a comprehensive policy package and powerful policy combinations, it has driven marked economic recovery and effectively bolstered market confidence. In the fourth quarter, GDP grew by 5.4% year-on-year, accelerating by 0.8 percentage points compared to the third quarter. This robust performance significantly contributed to the successful achievement of the annual economic development targets and laid a solid foundation for progress in 2025.

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 latest *World Economic Outlook* released by the International Monetary Fund (IMF) in January 2025, the global economy is projected to grow by 3.3% in both 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.

On March 5, 2025, the Government Work Report stated that China's key economic growth target for the year is to achieve around 5% GDP expansion. China possesses distinctive institutional advantages, including a mega-sized domestic market, a comprehensive industrial system, and abundant human capital. With its long-term planning, scientific macro-regulation, and coordinated governance mechanisms, coupled with vast potential from demand upgrading, structural optimization, and growth driver transformation, the fundamental trend of sustained economic growth remains unchanged.

(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 data of the National Bureau of Statistics, China's crude oil output reached 212.9 million tons in 2024, marking a 1.8% year-on-year increase. The apparent consumption of oil and gas grew by 1.8% year-on-year, while total consumption of major chemical products rose by 6.1%. Overall, China's petrochemical industry maintained stable growth in both production and consumption.

According to the data from the China Petroleum and Chemical Industry Federation, in the first half of 2024, China's petrochemical industry achieved the operating revenue of RMB 16.28 trillion, representing a year-on-year increase of 2.1%; total profits of RMB 789.71 billion, representing a year-on-year decrease of 8.8%; total import

and export value of USD 948.81 billion, representing a year-on-year decrease of 2.4%. In summary, the industry regained growth momentum in operating revenue during 2024, with the year-on-year decline in profits narrowing. The petrochemical sector demonstrated fundamental operational stability, showing signs of bottoming out and stabilizing.

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. In terms of scale, China's petrochemical industry now has the total oil refining capacity approaching 1 billion tons and the annual ethylene production capacity exceeding 55.00 million tons. The refining capacity and ethylene production capacity have ranked first in the world, and the global competitiveness of the industry has been constantly improved and enhanced.

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 given the Company the strength 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). 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 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, realize 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/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.

(III) Stable development of the renewable energy industry

1. Global energy transformation is accelerating, and renewable energy develops rapidly with a huge space

The geographical conflicts in recent years led to a sustained surge in global crude oil, natural gas and other fossil energy prices, highlighting the importance of developing renewable alternative energy. With the accelerated transformation of global energy structure, the exploitation and utilization of renewable energy has become the only way of energy revolution. To develop 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 annual market report of the Renewables 2024 released by the International Energy Agency (IEA) 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 the global solar power generation costs.

2. Solar energy is still the mainstream of renewable energy development

In recent years, with the rapid expansion of the scale of global solar energy exploitation and utilization, rapid progress in technology, and significant decrease in the cost of photovoltaic power, solar energy has shown a good prospect for development. China, the United States, the European Union and other countries or regions regard solar power as an important source of renewable energy. More than 100 countries reached an important agreement at the 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. Therefore, solar photovoltaic energy, as the backbone of renewable energy structure, is expected to achieve

continuous growth in installed capacity in the future.

According to the data of China Photovoltaic Industry Association, in 2024, the newly installed photovoltaic capacity in China reached 277.57 GW, representing a year-on-year increase of 28.3%. During the same period, global newly installed photovoltaic capacity reached approximately 530 GW, representing a year-on-year increase of 35.9%. Driven by declining photovoltaic costs and global economic recovery, according to the China Photovoltaic Industry Development Roadmap (2024-2025) released by China Photovoltaic Industry Association, China's newly installed Photovoltaic capacity is projected to reach 215-255 GW in 2025, with global additions estimated at 531-583 GW, maintaining growth momentum.

3. Photovoltaic module packaging materials fully benefit from the continuous growth of the photovoltaic industry

(1) Photovoltaic film is one key factor that determines the product quality and service life of photovoltaic modules

Photovoltaic film mainly used for the packaging of photovoltaic modules plays the role of bonding, provides the 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.

At present, the main photovoltaic films in the market are transparent EVA film, white EVA film, POE film, co-extrusion EPE film and so on. Transparent EVA film has remained the mainstream packaging material in the current market for its advantages in price and processing performance; white EVA film is made by adding to EVA resins a certain amount of titanium dioxide and other white fillers to improve the reflectivity of the secondary light, and is mainly used for the back packaging of single-glazed and double-glazed modules; POE film is the mainstream packaging material of double-glazed modules because of its unique PID resistance, high electrical resistivity and weak hydrolysis; EPE film is made from EVA and POE resins by the coextrusion process, and has both good processing performance of EVA and good PID resistance and water vapor resistance of POE. According to the forecast of the China Photovoltaic Industry Association, the EPE film market share is expected to increase steadily in the next few years.

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

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 photovoltaic, 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. According to the statistics of SCI99.com, by the end of 2024, the total EVA production capacity in China reached 2.90 million tons.

At present, the proportion of photovoltaic EVA in the downstream consumption demands for EVA products has exceeded 50%. Photovoltaic EVA are 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 588GW in 2024, representing a year-on-year increase of 13.5%. 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.

Sierbang Petrochemical, a holding subsidiary of the Company, is the leading enterprise in the domestic EVA industry. It has the market share and technology level always leading in the industry. At the end of 2024, Sierbang

Petrochemical has an annual EVA capacity of 500,000 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 α -olefin. The commonly called POE mainly refers to ethylene-octene copolymer elastomer with the mass fraction of octene greater than 20%. POE, with good 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 α -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 has entered 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.

4. 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. According to the data of China Automotive Industry Association, the production and sales of China's new energy vehicle (NEV) in 2024 reached 12.888 million and 12.866 million units respectively, representing year-on-year growth of 34.4% and 35.5%. As for sales of new cars, NEVs accounted for 40.9% of total cars, achieving a record-high market penetration rate. China's NEV sector has sustained rapid growth, with the production and sales exceeding 10 million units for the first time. Having maintained its position as the global leader for ten consecutive years, the country has emerged as a pivotal force driving the worldwide automotive industry transformation. The rapid expansion of the NEV sector has driven ever-growing demand for lithium battery materials across the upstream supply chain.

The demand of the energy storage market for lithium battery is also growing rapidly. 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. The market mechanism, business mode and standard system are mature and sound, and can basically meet the needs of building a new electric power system. Lithium iron phosphate battery occupies an absolutely dominant position in the electrochemical energy storage market for its advantages such as high energy density, long service life, high number of cycle times, good safety performance and mature technical route. At present, the domestic new energy storage market is in its infancy, and the business mode of each link is in the exploratory stage. With the gradual maturity of energy storage market demand, energy storage batteries have a huge potential to drive the demand for upstream lithium battery materials.

In response to the rapid development needs of downstream new energy vehicle and energy storage industries, and 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 battery diaphragms 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. According to the National Bureau of Statistics, China's chemical fiber manufacturing enterprises above designated size achieved a year-on-year increase of 5.7% in operating income and a year-on-year increase of 33.6% in total profits in 2024, marking a steady recovery in industry performance.

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. With the growth of consumption demand in downstream clothing, home textile and industrial textile industries, 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 yarn has gradually increased, and CR6 capacity accounts for nearly 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 the 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 is accelerating in its end consumer market.

II. Primary business during the reporting period

(I) Overview

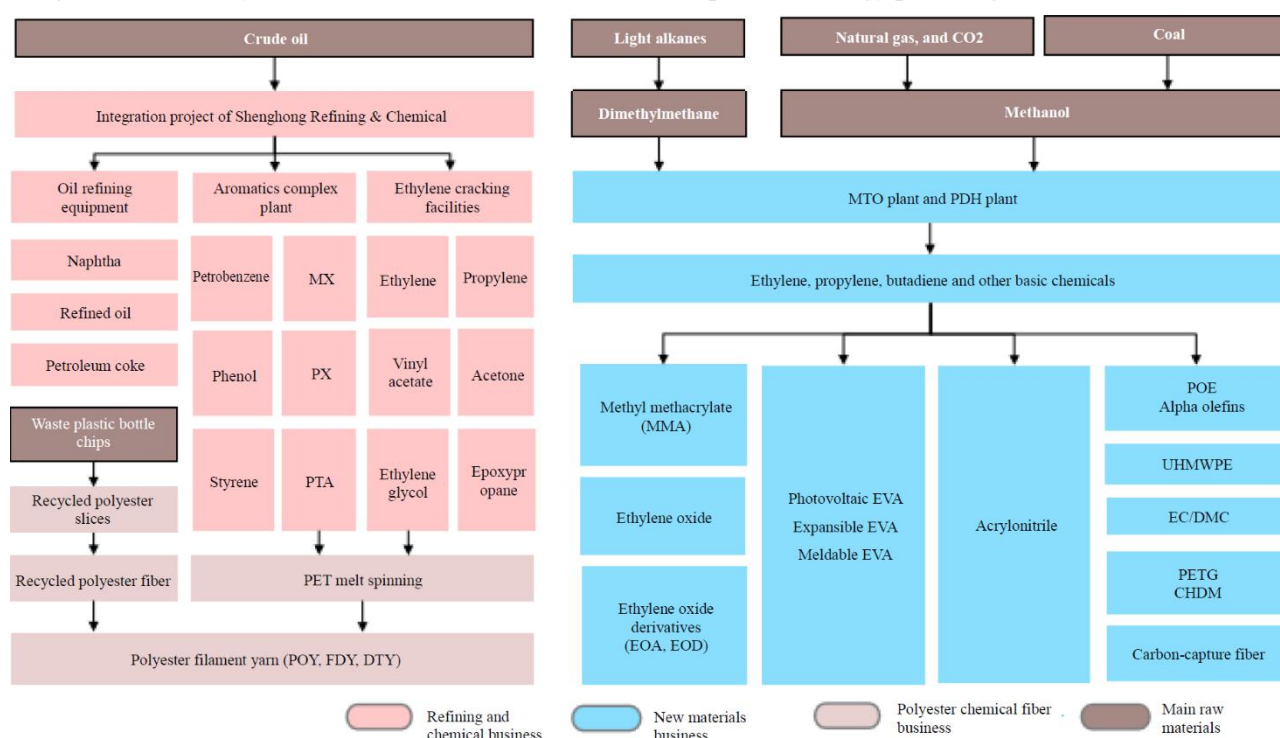
The Company is a global leading energy and chemical enterprise with vertical integration of the whole industry chain and in-depth layout of new energy and new material business. The Company has been engaged in the fields of new energy, new materials, petroleum refining and polyester chemical fiber for many years, has diversified olefin production processes, and has gradually formed an energy and chemical industry complex with vertical integration of the whole industry chain, forming a "1+N" industrial layout with extension to 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 sectors. The petrochemical raw materials such as ethylene, propylene, PX, benzene, vinyl acetate, ethylene glycol, phenol and acetone produced by the 16 million tons/year refining and chemical integration project of Shenghong Refining & Chemical can basically meet the raw material demand of downstream products such as PET, polyester chemical fiber, acrylonitrile, ethylene oxide, EVA, and propylene oxide.

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 realize 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, etc. Among them, Sierbang Petrochemical and Honggang Petrochemical were recognized as national "green factories".

(1) Refining and chemical business

As the core raw material supply platform of the Company's "1+N" strategic industrial layout, Shenghong's 16 million tons/year refining and chemical integration project has the largest single-scale atmospheric decompression unit in China, with a processing capacity of 16 million tons/year, and the main products 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 operating subject 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 2024, 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, 0.5 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 jumped to the first place 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 approximately 3.6 million tons/year. The products are mainly differentiated DTY. Among them, the capacity of recycled polyester fiber is about 600,000 tons/year, ranking first in the world. 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 thereafter possesses the complete independent intellectual property right, the world's leading bio-based PDO monomer, PTT fiber and recycled polyester fiber industry chain. During the reporting period, the Company launched its "recooer" carbon-capture fiber. This innovative product utilizes carbon capture technology to capture CO₂ discharged by factories and convert CO₂ 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

During 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 raw materials and chemical products manufacturing industry	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 raw materials and chemical products manufacturing industry	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 raw materials and chemical products manufacturing industry	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

Product name	Subsector	Upstream raw material	Downstream application field
Ethylene glycol	Chemical raw materials and chemical products manufacturing industry	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
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 in the manufacturing of EVA, widely used in textiles, light industry, papermaking, construction, and automotive fields.
Phenol	Chemical raw materials and chemical products manufacturing industry	Benzene, propylene	Mainly used in the manufacturing of resins, disinfectants, preservatives, and pharmaceuticals (such as aspirin), widely used in chemical raw materials, synthetic fibers, plastics, synthetic rubber, medicine, and coatings fields.
Acetone	Chemical raw materials and chemical products manufacturing industry	Benzene, propylene	Mainly used as a solvent, widely used in explosives, plastics, rubber, fibers, leather processing, greases, and spray painting fields.
Styrene	Chemical raw materials and chemical	Benzene, ethylene	Mainly used in the manufacturing of expanded polystyrene, polystyrene, ABS resin, synthetic rubber, unsaturated polyester resin, and styrene copolymers, widely used in the

Product name	Subsector	Upstream raw material	Downstream application field
	products manufacturing industry		synthetic resins, plastic products, and synthetic fibers fields.
Propylene oxide	Chemical raw materials and chemical products manufacturing industry	Benzene, propylene	Mainly used in the manufacturing of polyether polyols, propylene glycol, and various non-ionic surfactants, widely used in petroleum, chemicals, pesticides, and textiles fields.
Polyether polyol	New chemical materials	Propylene oxide	Mainly used in the manufacturing of polyurethane foam, elastomers, coatings, adhesives, and sealants, among others, widely used in textiles, electronics, and healthcare fields.
POY	Polyester fiber manufacturing	PTA, MEG, plastic bottle chip	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 chip	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 chip	Made from POY through drawing and false twist texturing processing, often with certain elasticity and contractility

1. Petrochemical and chemical new 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) Procurement model

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, perfect public engineering

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 expand 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 a 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) Procurement model

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, micro-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 external sales are realized through a unified sales platform. The settlement mode of payment upon delivery is generally adopted. A small number of domestic and external sales 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 settlement according to the market conditions at daily quotations.

Direct selling is also adopted for external sales business, which is mainly conducted by foreign trade departments. Overseas customers make inquiries and communications 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 sheets, 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

During the reporting period, amid evolving external conditions, the Company ensured steady operational progress while implementing internal reforms to address external challenges. By continuously enhancing organizational capabilities, fostering collaborative efforts, and overcoming difficulties, it focused on optimizing industrial chain structures and management models to improve operational efficiency and strive to achieve stable, sound, and sustainable development. The Company steadfastly strengthens its core industrial competitive advantages while deepening downstream development. Guided by differentiation, technological innovation, high value-added solutions, and green initiatives, it focuses on the layout of the new energy, new materials, and the green and low-

carbon industry.

1. Increasing the coverage and depth of emerging industries, Deepening the downstream development to enhance integrated industrial chain advantages

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. As of the end of 2024, the Company maintains industry leadership with total production capacities of acrylonitrile of 1.04 million tons/year; EVA of 0.5 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. During the reporting period, the Company's multiple new energy material projects including PETG, EC/DMC, POSM, and polyols were put into operation successively. And the Company filed several patents for core PETG polyester technologies, breaking foreign product technology monopolies. With all key raw materials sourced from its integrated production facilities, the Company has achieved a complete industrial closed-loop from basic feedstocks to high-end new materials, demonstrating distinctive integrated advantages.

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. The Company continues to deepen downstream development, and strive to build a world-class energy and chemical enterprise to contribute to the transformation toward new industrialization.

2. Driving high-quality industrial transformation through innovation, and striving to cultivate the "new quality productive forces" for sustainable development

Confronting the new wave of industrial development under the technological revolution, the Company remains committed to driving technological innovation and harnessing digital-intelligent applications to strengthen the foundation for high-quality development. During the reporting period, the Company achieved remarkable results in innovation implementation. In the application of innovative technologies, the Company established the world's first "CO₂-to-polyester fiber" industrial chain using carbon-capture technology, earning the "International Textile Federation Sustainability and Innovation Award" for providing viable solutions to the textile industry's sustainable transformation. Meanwhile, Sirbon Petrochemical was recognized as a "Manufacturing Industry Champion Enterprise" by MIIT for its photovoltaic EVA products that meet internationally advanced technical standards; Ganghong Fiber was awarded the "First Prize for Science and Technology Progress" by the China Textile Industry Federation for its "Research, Development and industrialization of Polyester Composite Fiber Melting Direct Spinning Engineering Technology" project developed in collaboration with Beijing Institute of Fashion Technology. This technology innovation has significantly enhanced the quality and efficiency of composite fiber products.

In smart innovation, the Petrochemical Industry Group's PDH Smart Factory project received the "2023 Most Influential Automation Project of the Year in China" award. As the nation's first production facility with fully intelligent production and digitalized operations, such project has achieved the deep integration of advanced process technology and intelligent technologies, empowering Petrochemical Industry Group to build a high-efficiency, high-quality, and low-cost operating system.

The Company focuses on cutting-edge technologies and high-end standards while driving technological innovation in product and management. It has actively established innovation platforms, subordinating to the National Advanced Functional Fiber Innovation Center, Shenghong Petrochemical Innovation Center, and Shenghong Advanced Materials Research Institute. These platforms are dedicated to upgrading traditional industries through technological innovation, enhancing breakthroughs in core technologies, and fostering the development of "new quality productive forces."

3. Pursuing sustainable development and pioneering a new model of green growth

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 the comprehensive coverage across all industrial sectors from green workshops and eco-industrial parks to national-level green factories. During the

reporting period, the Company further optimized its green production system. Petrochemical Industry Group became the first enterprise in the industry to utilize nuclear-powered steam, while Reborn Technology was listed in Jiangsu Province's inaugural carbon peaking and neutrality pilot program, continuing to set sustainability benchmarks for 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. During the reporting period, the Company possessed the first green negative-carbon industrial chain for 0.1 million tons/year "CO₂-to-green methanol" production, and an industrial chain for 0.6 million tons/year recycled polyester filament yarn production, realizing the genuine waste circular.

In addition, the Company's green fiber products including "reocoer" carbon-capture fiber and bio-based PTT fiber maintain the industry leadership, fully aligning with the "recycled transformation targets" of internationally known apparel brands. 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.

4. Advance corporate management transformation, enhance talent governance efficacy, and strengthen risk prevention capabilities.

As the Company gradually shifts to full-process operations, it orderly conducts corporate management transformation, optimizes business control, improves efficiency, and quickly develops new advantages in specialized management. During the reporting period, the Company implemented major division reforms in the petrochemical industry sector, achieving unified management of various business functions, centralized approval of key business decisions, coordinated allocation of common resources, and an organizational control model that fosters collaboration between divisions, so as to further stimulate competitive vitality and enhance overall labor productivity, laying a solid foundation for the realization of the Company's development strategy.

Closely aligning with the direction of industrial development, the Company unifies strategic and talent layouts, to explore open talent cultivation and utilization mechanisms. The Company prioritizes cadre system construction, fostering a work atmosphere of striving for excellence and innovation, continuously improving selection and reward mechanisms, and effectively attracting and retaining top talent while fully mobilizing employee enthusiasm and creativity.

The Company actively plays the role of internal audit supervision, strengthens integrity risk prevention and control, continuously carries out real-time audits of all kinds of economic operations, constantly improves the responsibilities of each functional department and subsidiary, and forms an internal control system in which each department has its own duties and responsibilities, and cooperates and restrains each other.

(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 single series para-xylene unit in the world. The Company has many units that are ranked the first including the largest domestic scale of 3×3.1 million tons/year using domestic continuous reforming technology. In addition, the 3.2 million tons/year fluidized bed residual oil hydrogenation unit, the 3.2 million tons/year diesel hydrocracking unit, the 2.8 million tons/year PX 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 corresponding 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 500,000 tons/year, leading the industry in scale. Additionally, the Company is constructing a POE industrial plant of 100,000 tons/year with proprietary intellectual property rights. Sierbang

Petrochemical's PV grade EVA product technologies have reached the international advanced level, get top market share in the world, and have a quality fully recognized by downstream customers, and have covered many leading domestic enterprises in the field of PV film.

The acrylonitrile capacity of Sierbang Petrochemical is 1.04 million tons/year, ranking first domestically. 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 Petrochemicals 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 3.6 million tons for polyester filament, with a differential rate of more than 90%, dominated by high-end products DTY. The Company is the world's leading producer of fully matte series fibers and fine denier differentiated fibers. At the same time, the Company also has complete independent intellectual property rights, the world's leading bio-based PDO monomer, PTT fiber, and carbon capture fiber and recycled polyester fiber industry chain.

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.

Procurement modes of main raw materials

Unit: RMB/ton

Main raw materials	Procurement modes	Proportion of purchases in total purchases	Whether there are significant changes in the settlement methods	Average price in the first half of the year	Average price in the second half of the year
Crude oil	Payment before delivery	62.07%	No	4,456.52	3,949.78

Reasons for significant changes in raw material prices compared to the previous reporting period

Mainly due to the fluctuations in crude oil market prices and the influence of purchase strategy

Energy purchase price accounts for more than 30% of total production costs

☐Applicable ☒Not applicable

Reasons for significant changes in the main energy types

None

Production technology of main products:

For some content, please refer to "II. Main business of the Company during the reporting period" and "III. Analysis of core competitiveness" in this chapter.

Productivity of main products:

For some content, please refer to "II. Main business of the Company during the reporting period" in this chapter.

Product types of major chemical parks:

Major chemical parks	Product type
Lianyungang Petrochemical Industry Base	Petrochemical and new chemical materials

Approvals on EIA being applied for or newly obtained during the reporting period

☒Applicable ☐ Not Applicable

Lianyungang Hongke New Materials Co., Ltd. submitted the environmental impact report for the 110kV substation project of degradable materials project (Phase I), and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on January 2, 2024.

Jiangsu Sierbang Petrochemical Co., Ltd. submitted the environmental impact report for the modified material production line construction project (Phase II), and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on January 17, 2024.

Lianyungang Xinrongtai Terminal Co., Ltd. submitted the environmental impact report for the new liquid hydrocarbon pipeline project and received the official approval from the Environmental Protection Bureau of the National East-Central-West Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on January 18, 2024.

Jiangsu Sierbang Petrochemical Co., Ltd. submitted the environmental impact assessment report for the pilot project of toluene diisocyanate technology development and received official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on January 19, 2024.

Lianyungang Hongke New Materials Co., Ltd. submitted the environmental impact report for the degradable materials project (Phase I) and received official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on March 29, 2024.

Suzhou Shenghong Fiber Co., Ltd. submitted the environmental impact report of the biomass-dedicated boiler construction project and received the official approval from the Suzhou Municipal Bureau of Ecology and Environment on May 7, 2024.

Shenghong Refining & Chemical (Lianyungang) Co., Ltd. submitted the environmental impact report for the product optimization technical modification project of the 1# continuous reforming unit's liquefied gas separation unit and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on May 10, 2024.

Jiangsu Sierbang Petrochemical Co., Ltd. submitted the environmental impact report for the sewage treatment plant optimization project and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on May 22, 2024.

Jiangsu Hongwei Chemical Co., Ltd. resubmitted the environmental impact assessment report for the POSM and polyol project and received official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on June 25, 2024.

Shenghong Refining & Chemical (Lianyungang) Co., Ltd. submitted the environmental impact assessment report for the 1 million tons/year acetic acid project and received official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on July 1, 2024.

Shenghong Refining & Chemical (Lianyungang) Co., Ltd. submitted the environmental impact report for the feedstock optimization technical modification project of the alkylation unit and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on July 1, 2024.

Shenghong Refining & Chemical (Lianyungang) Co., Ltd. submitted the environmental impact report for the acetaldehyde quality enhancement and efficiency improvement project and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on July 1, 2024.

Jiangsu Hongjing New Materials Co., Ltd. submitted the environmental impact report for the 500,000 tons per year EVA project (Phase II) and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on July 22, 2024.

Jiangsu Hongjing New Materials Co., Ltd. submitted the environmental impact report for the high-end copolymerization new material project (Phase II) and received the official approval from the Environmental

Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on July 22, 2024.

Shenghong Refining & Chemical (Lianyungang) Co., Ltd. submitted the environmental impact report for the AMS purification modification project and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on July 29, 2024.

Lianyungang Rongtai Chemical Storage Co., Ltd. submitted the environmental impact report for the technical modification and enhancement project and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on August 7, 2024.

Jiangsu Sierbang Petrochemical Co., Ltd. submitted the environmental impact report for Sierbang Refining and Chemical Mixed C4 Technical Transformation project and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on August 20, 2024.

Shenghong Refining & Chemical (Lianyungang) Co., Ltd. submitted the environmental impact report for the Eastern plot expansion project and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on September 3, 2024.

Shenghong Refining & Chemical (Lianyungang) Port Storage and Transportation Co., Ltd. submitted the environmental impact report for the technical transformation project of cargo type change at the terminal and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on September 12, 2024.

Jiangsu Sierbang Petrochemical Co., Ltd. submitted the environmental impact report for EOA Plant Product Structure Adjustment Adaptation Transformation Project and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on November 14, 2024.

Jiangsu Hongjing New Materials Co., Ltd. submitted the environmental impact report of the 100,000 tons/year high-end polyolefin monomer plant and supporting facilities project and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on December 31, 2024.

Jiangsu Sierbang Petrochemical Co., Ltd. submitted the environmental impact report of the 800-ton/year high-end EVA new material pilot project and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on December 31, 2024.

Shenghong Refining & Chemical (Lianyungang) Co., Ltd. submitted the environmental impact report of the long-term operation optimization technical transformation project of the boiling bed residue hydrocracking unit and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on January 22, 2025.

Jiangsu Sierbang Petrochemical Co., Ltd. submitted the environmental impact report of the pilot technology development project of comprehensive utilization of dimethyl carbonate and received the official approval from the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) on January 22, 2025.

Jiangsu Zhonglu Technology Development Co., Ltd. has received official approval from the Suzhou Municipal Bureau of Ecology and Environment for the environmental impact report of the anti-UV dual-component three-dimensional crimped elastic fiber technology renovation project on December 17, 2024.

The environmental impact report of the 100,000 tons/year high-end polyolefin monomer plant and supporting facilities project (Phase II) of Jiangsu Hongjing New Materials Co., Ltd. is being submitted for approval.

The environmental impact report of the terminal system optimization and renovation project of Lianyungang Xinrongtai Terminal Co., Ltd. is being submitted for approval.

The environmental impact report of the delayed coking optimization and upgrade project of Shenghong Refining & Chemical (Lianyungang) Co., Ltd. is being submitted for approval.

Shenghong Refining & Chemical (Lianyungang) Co., Ltd. is currently drafting the environmental impact report for the sewage optimization and technical transformation project.

Shenghong (Jiangsu) Advanced Materials Research Institute Co., Ltd. is currently drafting the environmental impact report for the pilot base project of new materials in the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Phase I).

Jiangsu Zhonglu Technology Development Co., Ltd. is currently drafting the environmental impact report for the polyester unit production line technology renovation project.

Abnormal suspension of production of the listed company during the reporting period

☐ Applicable ☒ Not Applicable

Relevant approvals, licenses and qualifications and the term of validity thereof

☒ Applicable ☐ Not Applicable

During the reporting period, the relevant approvals, licenses and qualifications held by the Company and its holding subsidiaries according to the industry in which they operate and the production and operation of major products were within their term of validity. As of the disclosure date of this report, on the premise of no major changes in existing policies, the Company and its holding subsidiaries did not have the risk of failing to pass the review upon expiration of the relevant approvals, licenses and qualifications. Meanwhile, the Company and its holding subsidiaries will actively make adjustments according to changes in relevant policies to ensure that they can continue to meet the renewal conditions of relevant approvals, licenses and qualifications.

Whether engage in oil processing and oil trade industries

☒ Yes ☐ No

The Company mainly imports crude oil and light hydrocarbon as raw materials from abroad. The suppliers are stable and reliable. The refining capacity is designed to be 16 million tons/year. The products produced are mainly sold in the domestic market. The national tax policy is stable and the production and sales are stable and sustainable. The Company's petrochemical and new chemical materials sector is located in Lianyungang, a city at the intersection of the Belt and Road Economic Belt. It has superior port resources. It has the first 300,000-ton crude oil berth in Jiangsu and six 50,000-ton berths, a 100,000-ton berth, an 80,000-ton berth, and a 10,000-ton berth for liquid chemicals, with a total supporting capacity of more than 5 million cubic meters, which can meet the storage and transportation of more than 80 kinds of liquid chemical products and oil products. By relying on the Group's basic logistics facilities, the Company can realize the product shipment by shipping, auto transport and multimodal transport.

Engaged in the fertilizer industry

☐ Yes ☒ No

Engaged in the pesticide industry

☐ Yes ☒ No

Engaged in the chlor-alkali and soda ash industry

☐ Yes ☒ No

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 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 firmly uphold the "1+N" new development pattern that combines "1" core platform and "n" diversified industrial chains such as new energy, new materials, electronic chemistry and biotechnology, so as to ensure the 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 olefin downstream high value-added 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 the only domestic photovoltaic film material supplier with both photovoltaic-grade EVA and POE independent technology, the 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 the field of high-value-added new materials, products such as PETG, nitrile latex, EC/DMC, POSM, and polyols have been successfully started up for the first time. EVA added 200,000 tons of capacity, further expanding the Company's new energy and new materials industry matrix.

Over the years, the Company has paid great attention to the R&D of civil polyester filament products, has independent intellectual property rights in a variety of functional fiber production technology, has overcome the technical barriers of ultrafine fibers, and has built a world-leading biobased PDO monomers, PTT fibers and recycled polyester fiber industry chain with complete intellectual property rights; The Company established the world's first industry chain from "carbon dioxide to polyester fiber", winning the "International Textile Manufacturers Federation Award for Sustainability and Innovation"; The composite fiber melting direct spinning technology won the first prize of China Textile Industry Federation Science and Technology Progress Award.

Through scientific and technological innovation, the Company has made fruitful scientific research achievements in products, processes, equipment, etc. As at the end of the reporting period, the Company owns 640 patents, including 229 invention patents, 403 utility model patents, and 8 appearance patents.

(III) Advantages of differentiated competition

The integration project of Shenghong Refining & Chemical is the Company's basic raw material platform, featuring the largest single set of atmospheric and vacuum distillation units in China. It was designed for feasibility with an optimal oil-to-chemical ratio, focusing on ethylene and downstream olefin chemical products as the main product direction. With over 70% chemical product output, it is the industry's highest oil-to-chemical ratio design. The refining production process allows for interconnection and mutual supply of materials, enhancing resource utilization and providing competitive product structure and costs in the industry.

Sierbang Petrochemical is an important new energy and new material production base of the Company, with the successful experience advantage in the operation of olefin large chemical projects. The monomer scale of the MTO unit that has been put into operation ranks among the top of the existing MTO units in the world, and the production capacity of the supporting acrylonitrile, MMA, EVA, EO and derivatives units ranks among the top in the industry, which has certain market influence on the pricing of regional products.

In the field of polyester chemical fiber, the Company adheres to the idea of "not engaging in repeated construction, not producing conventional products and not adopting conventional production technology" and is rooted in the staggered competition strategy and mainly in high-end DTY products. It focuses on the development and production of ultra-fine fiber and differentiated functional fiber, with product differentiation rate of more than 90%. It mainly focuses on the development of recycled fiber green low-carbon products, to effectively avoid the fierce market competition for conventional chemical fiber products.

(IV) Advantages of collaborative development

The Company has a high self-supporting rate for refining, new energy, new materials and polyester. After Shenghong Refining & Chemical's integration project is put into operation, the Company will realize self-supply of upstream PX and ethylene glycol raw materials of polyester chemical fiber, and its upstream and downstream product structure will be very reasonable. Petrochemical enterprises and their downstream products in the Lianyungang Petrochemical Industry Base have a high digestion proportion of refined and chemical products, and the efficient coordination and supporting advantages of regions, products and production processes bring 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) Location 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

The Company's primary business includes petrochemical, chemical new materials, and polyester chemical fiber, etc. During the reporting period, the polyester chemical fiber business and chemical new materials business performed well in terms of profitability. However, affected by multiple factors such as fluctuations in international crude oil market prices and weak downstream demand in the petrochemical industry, the price differentials of some products have narrowed, resulting in losses in the refining & petrochemical business, which has in turn led to a decline in the Company's overall profitability.

2. Income and costs

(1) Breakdown of operating income

Unit: RMB

	Year 2024		Year 2023		YOY changes
	Amount	Proportion in operating income	Amount	Proportion in operating income	
Total operating income	137,674,557,166.85	100%	140,439,738,058.63	100%	-1.97%
By industry					
Petrochemical and new chemical materials	108,276,504,979.02	78.65%	114,625,140,859.79	81.62%	-5.54%
Chemical fiber	27,150,986,265.93	19.72%	23,990,864,317.41	17.08%	13.17%
Others	2,247,065,921.90	1.63%	1,823,732,881.43	1.30%	23.21%
By product					
Refinery products	27,856,944,255.84	20.23%	29,032,816,643.98	20.67%	-4.05%
Others petrochemical and new chemical materials	80,419,560,723.18	58.42%	85,592,324,215.81	60.95%	-6.04%
Polyester silk	26,052,009,113.68	18.92%	22,949,127,327.58	16.34%	13.52%
Other chemical fiber products	1,098,977,152.25	0.80%	1,041,736,989.83	0.74%	5.49%
Others	2,247,065,921.90	1.63%	1,823,732,881.43	1.30%	23.21%
By region					
Domestic	130,921,139,388.56	95.09%	127,545,110,094.19	90.82%	2.65%
Overseas	6,753,417,778.29	4.91%	12,894,627,964.44	9.18%	-47.63%

(2) Industries, products, regions, and sales patterns that account for more than 10% of the Company's operating income or operating profit

☑Applicable ☐ Not Applicable

Unit: RMB

	Operating income	Operating costs	Gross margin	Increase/decrease of operating income 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	108,276,504,979.02	98,963,096,117.22	8.60%	-5.54%	-1.44%	-3.80%
Chemical fiber	27,150,986,265.93	25,402,199,029.65	6.44%	13.17%	11.94%	1.03%
By product						
Refinery products	27,856,944,255.84	21,800,933,949.18	21.74%	-4.05%	2.92%	-5.30%
Others petrochemical and new chemical materials	80,419,560,723.18	77,162,162,168.04	4.05%	-6.04%	-2.60%	-3.39%
Polyester silk	26,052,009,113.68	24,274,342,877.71	6.82%	13.52%	12.14%	1.14%
By region						
Domestic	130,921,139,388.56	119,548,364,608.38	8.69%	2.65%	6.61%	-3.39%
Overseas	6,753,417,778.29	6,513,753,522.69	3.55%	-47.63%	-47.81%	0.34%

The Company's primary business data for the latest one year 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

=Product Name	Output ('0,000 tons)	Sales ('0,000 tons)	Income (RMB)	Trend of selling price during the reporting period	Reasons for changes
Refinery products	426.01	424.74	27,856,944,255.84	First rising, then falling, followed by a rebound, with pressure and decline at the end of the year	Fluctuate in line with market conditions
Others petrochemical and new chemical materials	1,357.08	1,371.99	80,419,560,723.18		
Polyester silk	296.89	295.28	26,052,009,113.68		

Operating income or net profit generated from overseas business accounted for more than 10% of the audited operating income or net profit of the Company in the latest fiscal year

☑Yes☐No

Overseas business entity	Operating circumstances	Impact of tax policies on overseas operations during the reporting period	Response measures
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Petrochemical (Singapore)	Stable operating	During the reporting period, the overall tax burden was relatively low. In July 2022, approval was granted to enter Singapore's Global Trade Program, benefiting from a reduced corporate income tax rate of 10%	Both China and Singapore strongly support the main corporate income tax incentives
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(3) Whether the Company's sales income in kind was greater than its service income
☒ Yes ☐ No

Industry	Item	Entity	Year 2024	Year 2023	YOY changes
Chemical fiber	Sales	10,000 tons	313.44	274.29	14.27%
	Output	10,000 tons	313.76	277.58	13.03%
	Inventory	10,000 tons	24.98	24.66	1.30%
Petrochemical and new chemical materials	Sales	10,000 tons	1,796.73	1,916.71	-6.26%
	Output	10,000 tons	1,783.09	1,569.83	13.58%
	Inventory	10,000 tons	67.65	81.29	-16.78%

Reasons for the YOY increase/decrease by more than 30% in relevant data

☐ Applicable ☒ Not Applicable
(4) Performance of major sales contracts and major procurement contracts signed by the Company as at the end of the reporting period
☐ Applicable ☒ Not Applicable
(5) Breakdown of operating costs

Industry

Unit: RMB

Industry	Item	Year 2024		Year 2023		YOY changes
		Amount	Proportion in operating costs	Amount	Proportion in operating costs	
Petrochemical and new chemical materials	Raw materials	80,702,202,872.83	64.02%	86,146,389,875.89	69.13%	-6.32%
	Energy	9,303,246,149.94	7.38%	8,788,136,225.76	7.05%	5.86%
	Labor	626,415,279.29	0.50%	662,548,503.08	0.53%	-5.45%
	Others	8,331,231,815.16	6.61%	4,811,842,717.06	3.87%	73.14%
Chemical fiber	Raw materials	19,767,410,854.38	15.68%	17,220,726,713.24	13.82%	14.79%
	Energy	2,499,985,708.51	1.98%	2,415,332,215.26	1.94%	3.50%
	Labor	1,214,130,247.60	0.96%	1,196,928,078.77	0.96%	1.44%
	Others	1,920,672,219.16	1.52%	1,860,323,582.77	1.49%	3.24%
Others		1,696,822,984.20	1.35%	1,511,176,289.48	1.21%	12.28%

Remark

None

(6) Whether there is any change in the consolidation scope during the reporting period
☒ Yes ☐ No

In this period, the scope of consolidation increased by 5 companies and decreased by 3 companies. As of the end of 2024, the number of companies included in the consolidated financial statements was 52.

(7) Information about significant changes or adjustments in the Company's business, products or services during the reporting period

☐ Applicable ☒ Not Applicable

(8) Major sales customers and major suppliers

The Company's main sales customers

Total sales of top five customers (RMB)	27,725,671,744.06
Proportion of total sales of top five customers in total annual sales	20.13%
Proportion of the sales of related parties included in the sales of top five customers in total annual sales	0.00%

Information of the Company's top 5 customers

No.	Customer name	Sales amount (RMB)	Proportion in total annual sales
1	Customer No.1	12,615,890,634.30	9.16%
2	Customer No.2	6,955,163,140.54	5.05%
3.	Customer No.3	2,851,706,418.05	2.07%
4	Customer No.4	2,751,978,201.72	2.00%
5	Customer No.5	2,550,933,349.45	1.85%
Total	--	27,725,671,744.06	20.13%

Other descriptions of major customers

☐ Applicable ☒ Not Applicable

Major suppliers of the Company

Total purchase amount from the top five vendors (RMB)	33,514,315,372.96
Percentage of total annual purchases by the top five vendors combined	30.09%
Proportion of related-party purchases among purchases from the top five suppliers to total annual purchases	0

Information on the Company's top 5 suppliers

No.	Supplier name	Purchase amount (RMB)	Proportion in the total purchase amount
1	Supplier No.1	9,723,000,854.41	8.73%
2	Supplier No.2	7,339,009,692.91	6.59%
3	Supplier No.3	5,858,431,056.69	5.26%
4	Supplier No.4	5,545,671,544.25	4.98%
5	Supplier No.5	5,048,202,224.70	4.53%
Total	--	33,514,315,372.96	30.09%

Other descriptions of major suppliers

☐ Applicable ☒ Not Applicable

3. Fee

Unit: RMB

	Year 2024	Year 2023	YOY changes	Description of significant changes
Selling and distribution expenses	334,382,120.56	334,162,820.96	0.07%	
General and administrative expenses	1,081,209,219.11	864,410,563.34	25.08%	
Financial expenses	4,873,766,540.51	3,493,931,626.87	39.49%	Increase in interest expenses
Research and development expenses	832,022,384.44	671,302,694.89	23.94%	

4. Investments in R&D

☒ Applicable ☐ Not Applicable

R&D personnel of the Company

	Year 2024	Year 2023	USD
Number of R&D personnel (persons)	3,797	4,179	-9.14%
Proportion of R&D personnel	12.86%	13.52%	-0.66%
Academic structure of R&D personnel			
Undergraduate	1,527	1,563	-2.30%
Master	109	77	41.56%
Doctor	25	22	13.64%
Age composition of R&D personnel			
Under 30 years old	1,237	1,384	-10.62%
30-40 years old	2,081	2,307	-9.80%

R&D investment by the Company

	Year 2024	Year 2023	USD
R&D investment (RMB)	6,354,081,971.06	5,713,596,924.22	11.21%
Proportion of R&D investment in income	4.62%	4.07%	0.55%
Capitalized R&D investment (RMB)	0.00	0.00	0.00%
Proportion of capitalized R&D investment in R&D investment	0.00%	0.00%	0.00%

Reasons and Effects of Significant Changes in the Composition of R&D Personnel within the Company

☐ Applicable ☒ Not Applicable

Reasons for the significant change in the proportion of R&D expenditure to operating income compared to the previous year

☐ Applicable ☒ Not Applicable

Reasons for the significant change in the capitalization rate of R&D investment and its rationality

☐ Applicable ☒ Not Applicable

5. Cash flows

Unit: RMB

Item	Year 2024	Year 2023	YOY changes
Sub-total of cash inflows from operating activities	181,638,024,412.15	167,356,846,104.23	8.53%
Sub-total of cash outflows from operating activities	171,163,198,731.20	159,013,905,798.06	7.64%
Net cash flows from operating activities	10,474,825,680.95	8,342,940,306.17	25.55%
Sub-total of cash inflows from investing activities	1,124,799,844.44	2,612,687,987.22	-56.95%
Sub-total of cash outflows from investing activities	13,223,546,139.94	24,658,660,635.34	-46.37%
Net cash flows from investing activities	-12,098,746,295.50	-22,045,972,648.12	45.12%
Sub-total of cash inflows from financing activities	103,590,998,820.04	72,938,042,047.54	42.03%
Sub-total of cash outflows from financing activities	96,172,471,306.93	62,954,716,224.09	52.76%
Net cash flows from financing activities	7,418,527,513.11	9,983,325,823.45	-25.69%
Net Increase in cash and cash equivalents	5,623,427,513.46	-3,779,695,078.20	248.78%

Description of main factors affecting significant YOY increase/decrease in relevant data

☒Applicable ☐ Not Applicable

(1) Compared with the same period last year, the net cash flow from operating activities increased mainly due to a year-on-year increase in the net amount of other cash inflows related to operating activities.

(2) Compared with the same period last year, the net cash flows from investing activities increased mainly due to the decrease in cash paid for the purchase and construction of fixed assets in current period.

Reasons for the significant difference between the net cash flows from operating activities of the Company during the reporting period and the net profit during the current year

☒Applicable ☐ Not Applicable

Reasons for the difference between the Company's cash flow from operating activities and net profit for the reporting period are set out in the explanatory notes to the supplementary information on the cash flow statement in the Company's annual auditor's report.

V. Analysis of non-primary business☒Applicable ☐ Not Applicable

Unit: RMB

	Amount	Proportion in total profit	Formation causes	Whether it is sustainable
Investment income	159,381,677.96	-4.29%	Mainly due to the change from equity method to cost method in recognizing income	No
Profit or loss from changes in fair value	39,709,845.02	-1.07%	Mainly due to the changes in fair value of financial assets	No

	Amount	Proportion in total profit	Formation causes	Whether it is sustainable
Asset impairment losses	-727,353,586.34	19.59%	Mainly due to the losses from inventory impairment	No
Non-operating income	69,587,586.75	-1.87%	Mainly due to the income from compensation and fines	No
Non-operating expenses	312,741,116.02	-8.42%	Mainly due to the expected losses from deferral of recognized items for the period	No

VI. Analysis on assets and liabilities

1. Significant changes in the composition of assets

Unit: RMB

	At the end of 2024		At the beginning of 2024		Increase/decrease in proportion	Description of significant changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary funds	13,636,446,983.07	6.67%	10,009,739,723.82	5.26%	1.41%	
Accounts receivable	2,327,702,449.86	1.14%	1,479,324,780.27	0.78%	0.36%	Mainly due to the increase in receivables from customers
Inventories	16,873,219,225.01	8.26%	18,208,194,467.86	9.57%	-1.31%	
Investment properties	625,773,856.85	0.31%	664,441,821.84	0.35%	-0.04%	
Long-term equity investments	90,557,516.48	0.04%	82,851,688.61	0.04%	0.00%	
Fixed assets	127,298,464,476.19	62.31%	123,427,551,751.16	64.89%	-2.58%	
Construction in progress	25,026,824,465.78	12.25%	18,239,996,647.89	9.59%	2.66%	Mainly due to an increase in project investment
Right-of-use assets	3,083,272,607.18	1.51%	1,434,510,942.63	0.75%	0.76%	Mainly due to an increase in leasing
Short-term borrowings	52,682,163,867.62	25.79%	41,697,704,548.37	21.92%	3.87%	
Contract liabilities	2,484,508,305.51	1.22%	2,272,577,360.44	1.19%	0.03%	
Long-term borrowings	60,988,432,664.33	29.85%	62,721,466,673.12	32.97%	-3.12%	
Lease liabilities	2,880,053,850.90	1.41%	1,372,014,804.91	0.72%	0.69%	Mainly due to an increase in leasing
Notes receivable	97,777,618.59	0.05%	307,173,337.74	0.16%	-0.11%	Mainly due to a decrease in held-to-maturity notes

	At the end of 2024		At the beginning of 2024		Increase/decrease in proportion	Description of significant changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
						receivable
Receivables financing	536,196,519.90	0.26%	319,225,113.32	0.17%	0.09%	Mainly due to an increase in notes receivable measured at fair value through other comprehensive income
Advances to suppliers	525,281,644.21	0.26%	876,561,675.19	0.46%	-0.20%	Mainly due to a decrease in advance payments
Other receivables	1,009,344,676.64	0.49%	717,755,781.89	0.38%	0.12%	Mainly due to an increase in receivables from the government
Other current assets	1,813,789,331.40	0.89%	785,720,099.56	0.41%	0.47%	Mainly due to an increase in VAT credits
Long-term deferred expenses	2,478,240.80	0.00%	1,412,795.02	0.00%	0.00%	Mainly due to an increase in other deferred expenses
Deferred income tax assets	2,530,374,877.37	1.24%	1,014,389,576.29	0.53%	0.71%	Mainly due to an increase in deferred tax assets from deductible losses
Other non- current assets	2,521,178,872.31	1.23%	6,391,552,903.42	3.36%	-2.13%	Mainly due to a decrease in advances for construction of long-term assets
Notes payable	0.00	0.00%	390,550,672.86	0.21%	-0.21%	Mainly due to an increase in the settlement of external notes
Other payables	301,204,531.41	0.15%	961,911,125.99	0.51%	-0.36%	Mainly due to a decrease in current accounts and deposits
Long-term payables	3,373,670,655.65	1.65%	1,226,180,083.70	0.64%	1.01%	Mainly due to an increase in

	At the end of 2024		At the beginning of 2024		Increase/decrease in proportion	Description of significant changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
						finance leases
Estimated liabilities	7,194,735.20	0.00%	0.00	0.00%	0.00%	Mainly due to the expected losses from deferral of recognized items for the period
Minority equity	3,438,308,974.90	1.68%	41,087,923.36	0.02%	1.66%	Mainly due to the investment by minority shareholders for the period

Overseas assets with a higher proportion

☐ Applicable ☒ Not Applicable

2. Assets and liabilities measured at fair value

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Beginning amount	Ending amount
1. Financial assets held for trading (excluding derivative financial assets)	73,750,917.76	74,183,711.94
2. Derivative financial assets	11,123,493.67	32,411,216.06
3. Other creditor's right investments		
4. Other equity instrument investments	582,098,160.00	584,422,540.00
5. Other non-current financial assets		
6. Receivables financing	319,225,113.32	536,196,519.90
Sub-total of financial assets	986,197,684.75	1,227,213,987.90
Total	986,197,684.75	1,227,213,987.90
Financial liabilities	0.00	0.00

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

☐ Yes ☒ No

3. Assets with restricted rights as of the end of the reporting period

Unit: RMB

Item	Book value as at December 31, 2024	Reason for restriction
Monetary funds	1,626,662,420.94	See Note VII.1 for the reason for restriction
Fixed assets	23,745,825,973.57	Mortgage for obtaining financing credit from financial institutions
Intangible assets	2,693,030,910.69	Mortgage for obtaining financing credit from financial institutions

Construction in progress	2,108,895,029.20	Mortgage for obtaining financing credit from financial institutions
Accounts receivable	[Remark]	Pledge for obtaining financing credit from financial institutions
Total	30,174,414,334.40	

Remark: Within the consolidation scope, the wholly-owned subsidiary Lianyungang Guanghong Industrial Co., Ltd. pledged the right to collect receivables from related parties within the consolidation to provide collateral for bank loans. As of December 31, 2024, the accounts receivable balance of Lianyungang Guanghong Industrial Co., Ltd. from related parties within the consolidation was RMB 121 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
5,788,880,809.37	8,249,931,476.79	-29.83%

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

Unit: RMB

Project name	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	Progress of the project	Date of Disclosure	Disclosure index
Sierbang Petrochemical propane industry chain project - Phase II	Self-built	Yes	Chemical engineering	14,251,415.85	1,990,001,304.78	Self-owned fund	Put into operation	July 10, 2021	CNINFO: Listing Particulars on Issuing Shares and Paying Cash to Purchase Assets and Raising Supporting Funds and Related-Party Transactions
Guowang (Suqian) super simulation functional fiber project with an annual production capacity of 500,000 tons	Self-built	Yes	Chemical fiber manufacturing industry	23,392,303.68	3,639,784,987.48	Self-owned fund + special borrowings	Put into operation	July 17, 2021	CNINFO: Announcement on the Investment and Construction of Super-simulation Functional Fiber Project with an Annual Output of 500,000 Tons by Subsidiaries (Announcement No.: 2021-085)
Hongwei Chemical POSM and Polyol Project	Self-built	Yes	Chemical engineering	1,647,904,798.29	3,627,047,702.46	Self-owned fund + special borrowings	Partial operation	May 15, 2021	CNINFO: Announcement on the Investment and the Construction of POSM and Polyol

Project name	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	Progress of the project	Date of Disclosure	Disclosure index
									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	257,360,635.28	453,588,225.13	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 stretching project of Reborn Technology with an annual production capacity of 250,000 tons	Self-built	Yes	Chemical fiber manufacturing industry	93,646,919.74	2,266,960,071.64	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 with an Annual Output of 250,000 Tons - Phase II by Subsidiaries (Announcement

Project name	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	Progress of the project	Date of Disclosure	Disclosure index
									No.: 2022-011)
Biodegradable material project (Phase I) of Hongke New Material	Self-built	Yes	Chemical engineering	78,370,886.73	306,381,964.79	Self-owned fund + special borrowings	Suspended	March 24, 2022, October 31, 2024	CNINFO, Announcement on the Project (Phase I) Engineering of Subsidiary's Investment in the Construction of the Degradable Materials (Announcement No.: 2022-047), and Announcement on the Project (Phase I) Engineering of Subsidiary's Temporary Suspension of the Degradable Materials (Announcement No.: 2024-069)
Honggang Petrochemical 2.4 million tons/year purified terephthalic acid (PTA) Phase III Project	Self-built	Yes	Chemical engineering	3,075,396,863.72	3,469,843,372.61	Self-owned fund + special borrowings	Equipment installation phase	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 name	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	Progress of the project	Date of Disclosure	Disclosure index
									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	64,282,987.81	159,396,876.31	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)
Acetic acid project of 1 million tons/year	Self-built	Yes	Chemical engineering	534,273,998.27	576,281,254.10	Self-owned fund	Construction phase of the projects	April 26, 2024	CNINFO, Announcement on Shenghong Refining & Chemical's Investment in the Construction of the 1 Million Tons/Year Acetic Acid Project (Announcement No.: 2024-035)
Total	--	--	--	5,788,880,809.37	16,489,285,759.30	--	--	--	--

4. Financial assets investment**(1) Portfolio investment**

☑Applicable ☐Not applicable

Unit: RMB

Type of securities	Stock code	Abbreviation	Initial investment costs	Accounting measurement mode	Book value at January 1, 2024	Profit or loss from changes in fair value in 2024	Accumulated changes in fair value included in equity	Purchase amount in 2024	Sale amount in 2024	Profit or loss during the reporting period	Book value as at December 31, 2024	Accounting of subjects	Source of funds
Domestic and overseas stocks	603323	Agricultural Bank of Suzhou	5,000,000.00	Measurement at fair value	73,750,917.76	18,588,274.18	0.00	0.00	18,155,480.00	22,336,308.30	74,183,711.94	Financial assets held for trading	Self-owned fund
Total			5,000,000.00	--	73,750,917.76	18,588,274.18	0.00	0.00	18,155,480.00	22,336,308.30	74,183,711.94	--	--

(2) Investment in derivatives

☑Applicable ☐Not applicable

1) Investment in derivatives for hedging purpose during the reporting period

☑Applicable ☐Not applicable

Unit: RMB '0,000

Investment type	Initial investment amount	Amount as at January 1, 2024	Profit or loss from changes in fair value in 2024	Investment income in 2024	Amount as of the end of the reporting period	Proportion of investment amount as of the end of the reporting period in the Company's net assets as of the end of the reporting period
Commodity derivatives	696.35	18,657.83	2,112.16	4,142.02	32,005.61	0.85%
Foreign exchange derivatives	0.00	0.00	0.00	124.41	0.00	0.00%
Total	696.35	18,657.83	2,112.16	4,266.43	32,005.61	0.85%
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 <i>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</i> 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			The profits and losses for the reporting period amounted to RMB 63.7859 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			April 26, 2024			

Investment type	Initial investment amount	Amount as at January 1, 2024	Profit or loss from changes in fair value in 2024	Investment income in 2024	Amount as of the end of the reporting period	Proportion of investment amount as of the end of the reporting period in the Company's net assets as of the end of the reporting period
the board of directors on approving investment in derivatives						
Date of disclosure of the announcement of the general meeting on approving investment in derivatives			May 22, 2024			

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

(1) Overall use of the funds raised

☑Applicable ☐Not applicable

Unit: USD'0,000

Year of fund raising	Way of fund raising	Securities listing date	Total fund raised	Net amount of funds raised (1)	Total funds raised in 2024	Total of cumulatively used funds raised (2)	Ratio of funds raised at the ending of reporting period (3) = (2) / (1)	Total fund raised with purpose changed during the reporting period	Total cumulative proceeds with purpose changed	Proportion of total cumulative proceeds with purpose changed	Total proceeds unused	Use and destination of unused proceeds	Amount of proceeds idle for more than two years
2022	GDR	December 28, 2022	71,828.17	71,534.93	75.71	71,560.68	100.04%	0.00	0.00	0.00%	0.00	N/A	0.00
Total	--	--	71,828.17	71,534.93	75.71	71,560.68	100.04%	0.00	0.00	0.00%	0.00	--	0.00

Overall use of the funds raised

GDR was issued according to the Official Reply on Approving the Initial Public Offering of Global Depositary Receipts by Jiangsu Eastern Shenghong Co., Ltd. and Listing on SIX Swiss Exchange (ZJXX [2022] No. 3151) issued by the China Securities Regulatory Commission. With the approval of the China Securities Regulatory Commission and the SIX Exchange Regulation AG, the GDRs (Global Depositary Receipts) issued by the Company were listed on the SIX Swiss Exchange on December 28, 2022 (Swiss time) under the full name of Jiangsu Eastern Shenghong Co., Ltd. and the listing code of DFSH. A total number of 39,794,000 GDRs was issued this time, corresponding to the underlying securities of 397,940,000 A-shares of the Company, and the total amount of funds raised in this issuance was approximately USD 718 million. The funds raised in this issuance were received on the issuance date, and the actual amount received after deducting the underlying underwriting expenses was approximately USD 715 million.

According to the Prospectus of GDRs, as for the net proceeds from GDRs, 35% thereof shall be used to expand the capacity of new energy and new materials or to build new product capacity; 25% thereof shall be used to develop the Company's vertically integrated refining business capabilities, including supporting the Company in sourcing upstream raw materials from global markets; 20% thereof shall be used to seek potential investment and M&A opportunities and develop the management and marketing network outside of the Chinese mainland; 10% thereof shall be used to invest in the Company's research to enhance the Company's product development technology capabilities; and 10% thereof shall be used for working capital and other general corporate purposes. The Company has broad discretion in determining the purposes of the net proceeds from the issue. The purposes of the expected proceeds mentioned above represent the Company's intentions based on its current plans and business conditions. However, these intentions are subject to change based on the business plans, conditions, regulatory requirements and current market conditions and in a manner consistent with the business strategy and applicable laws. The expected purposes of the proceeds are our intentions based on our current plans and business conditions, and are subject to change in accordance with the business plans, circumstances, regulatory requirements and market conditions at that time and in a manner consistent with its business strategy and applicable laws.

As of December 31, 2024, the Company had used USD 715.6068 million of the funds raised in this GDR issue, and the Company's cumulatively used funds raised accounted for approximately 100.04%, with an excess of USD 25.75 million, representing the net amount of interest income on bank deposits received in the cumulative account of the funds raised, after deducting bank handling fees. All funds raised have been used and the Company has canceled the special account for the funds raised.

(2) Committed projects invested with the raised funds

☐Applicable ☒Not applicable

(3) Changes in raised funds

☐Applicable ☒Not Applicable

There was no change in 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

Unit: RMB '00,000,000

Company	Company type	Primary business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Shenghong Refining & Chemical	Subsidiary	Production and sales of petrochemical products	235.45	1,193.03	201.80	966.87	-41.40	-30.77
Sierbang Petrochemical	Subsidiary	R&D, production, and sales of fine chemicals	60.59	414.43	160.36	206.88	7.84	7.40
Shenghong Chemical Fiber	Subsidiary	R&D, production, and sales of PFY (polyester filament yarn)	0.5	336.88	138.46	272.60	6.34	6.28

Shenghong Refining & Chemical primarily engages in petroleum and chemical business. As of the announcement date, the Company holds 100% of its shares. Shenghong Chemical Fiber mainly engages in polyester fiber business, and as of the announcement date, the Company holds 100% of its shares. The changes in operating performance during this period compared to the same period last year are influenced by factors such as demand and fluctuations in crude oil prices.

Acquisition and disposal of subsidiaries during the reporting period

☒Applicable ☐Not applicable

Company name	Ways for acquisition and disposal of subsidiaries during the reporting period	Effect on the overall production, operation and performance
Shenghong New Energy (Suzhou) Co., Ltd.	Company cancellation	Based on the demand of business development
Suzhou Dongneng Innovation Technology Co., Ltd.	Company cancellation	Based on the demand of business development

Company name	Ways for acquisition and disposal of subsidiaries during the reporting period	Effect on the overall production, operation and performance
Shenghong Oils Sales Co., Ltd.	Cancellation	Based on the demand of business development
Suzhou Shengze Market Management Co., Ltd.	Form	No significant impact on production operations and performance during the reporting period
Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd., including its subsidiary Jiangsu New Vision Inspection and Certification Co., Ltd.	Business combination not under common control	Based on the demand of business development
Lianyungang Fanghong Port Storage and Transportation Co., Ltd.	Business combination not under common control	Based on the demand of business development
Liaoning Province Petroleum-chemical Industry Planning & Design Institute Co., Ltd.	Business combination not under common control	Based on the demand of business development

X. Structured entities controlled by the Company

☐ Applicable ☒ Not Applicable

XI. Prospects for the future development of the Company

(I) Corporate development strategy

The Company is committed to promoting social harmony, environmental friendliness, and quality of life. It aims to practice excellence and lead the future by integrating benefit, environmental, and social dimensions into its standards, striving to achieve corporate value and create social value. The Company captures the industry trends of high-end, digital, and low-carbon development, fully advancing the transformation of strategic emerging industries. It focuses on new energy materials, high-performance new materials, and low-carbon green industries to build and form a core raw material platform + diversified industrial chains in new energy, new materials, electronic chemistry, and biotechnology, creating a "1+N" industrial pattern. The Company strives to build a world-class new energy and new materials high-tech industrial cluster, providing innovative chemistry and new materials for a green and sustainable future, to become a technology-oriented, application-focused, and scenario-based industry leading enterprise.

The Company will actively establish and promote a development strategy for artificial intelligence, creating a systematic and differentiated competitive advantage in the wave of AI. It will promote the application of AI in optimizing the production system, improving product R&D efficiency, and enhancing the quality of company management and operations. It aims to foster the integration of AI technology in the petrochemical industry, leading the industry from "experience-driven" to "AI intelligence-driven" comprehensive transformation and leapfrog development.

(II) Work plan for the next year

In 2025, facing the constantly changing external environment, the Company will, on one hand, solidify its industrial foundation. Centered around the "1+N" strategy, and on the other hand, begin implementing its artificial intelligence strategy, including strengthening AI infrastructure construction, deepening scenario empowerment, focusing on the application of petrochemical refining, new energy and new materials, high-end textiles, and other industries fields, continue to cultivate 'new quality productivity' to build a world-class energy and chemical enterprise under the wave of AI.

To this end, the Company will focus on the following tasks:

1. Persist in deepening AI integration to empower company development

In 2025, the Company will actively explore the comprehensive application of artificial intelligence technology in multi-level scenarios in the petrochemical industry, promoting the deep integration of new AI technologies with

various industrial sectors of the Company. The Company will actively build an AI intelligent application platform, focusing on the construction and application of agents in intelligent factories, business & financial analysis, and trading of commodities and commodities derivatives, promoting the application in industry verticals. In the field of manufacturing, the Company will integrate AI technology into optimizing production, quality control, inventory management, and safety management, improving production efficiency and reducing production costs. In the field of financial management, AI technology will cover the entire process from basic financial data collection and organization to in-depth sorting and analysis of financial data, comprehensively improving the accuracy and timeliness of the Company's financial statement preparation, and enhancing the Company's ability to deeply sort and analyze financial data, providing support and basis for business decision-making. In addition, the Company will fully explore the integration and application of AI technology in scenarios such as marketing, supply chain management, human resources, and R&D. Moreover, through AI empowerment, the Company can achieve a comprehensive transformation and leapfrog development from "experience-driven" to "AI intelligence-driven".

2. Maintain a high-end positioning of products and accelerate innovation.

By 2025, the Company will continue to cultivate niche markets, constantly accumulating cost competitiveness, technological innovation, and brand influence to maintain the high-end positioning of its products. At the same time, the Company will actively seek incremental growth from the high-end market, strengthen technological innovation, vigorously explore the market, and continuously cultivate and develop new high-end products. The Company will actively promote the investment and construction of the new materials pilot base of National Eastern-Central-Western Regional Cooperation Demonstration Zone, providing a collective, open pilot public service for enterprises, universities, and research institutes, aiding in tackling "critical" technological challenges in the chemical industry. The Company will fully leverage the roles of the National Innovation Center of Advanced Functional Fibers, Shenghong Petrochemicals Innovation Center and Shenghong Advanced Materials Research Institute, among other innovation platforms, to enhance the capability for breakthroughs in key core technologies. By integrating the innovation chain, industrial chain and talent chain, the Company continuously pushes for the transformation of scientific and technological innovations into productive forces, realizes innovation value, expands the product system with high added value and high technology content, and promotes the industry to extend towards the high end of the value chain.

3. Adhere to digital-to-intelligent transformation, enhancing operational quality and efficiency.

By 2025, the Company will actively utilize modern information technologies such as the Internet of Things, big data, and generative artificial intelligence, deeply integrating with the petrochemical industry to fully advance digital and intelligent development, constructing a digital and intelligent industrial system that integrates "Physical Eastern Shenghong" with "Digital Eastern Shenghong". The Company will continue to upgrade its digital and intelligent platform, creating a "data + algorithm + intelligent robot" development model, enhancing the level of digital intelligence in decision-making, management, R&D, marketing, production, and other aspects. It aims to build a digital intelligent factory characterized by "intelligent learning, sensing, decision-making, and execution" capabilities. Through digital technology, it constructs an efficient, high-quality, and low-cost operation system, reduces energy consumption and raw material waste, enhances the ability to control safety production risks, thereby helping the Company improve quality, reduce costs, and increase efficiency.

4. Adhere to green development, promoting low-carbon transformation.

In 2025, the Company will continue to prioritize "green" as the most important quality and foundation for building a world-class enterprise. It will set more challenging tasks, higher standards, and stricter requirements in safe production, energy conservation, emission reduction, green and low-carbon practices, and recycling. The goal is to effectively utilize green technology, promote green production, and develop green products. The Company will seize the development opportunities promoted by the national initiative to "foster a healthy development ecosystem for the green and low-carbon industry." It will solidify its foundation in safety and green practices, further explore energy-saving and emission-reduction processes, low-carbon recycling technologies, and fully utilize projects like CO₂ capture and comprehensive utilization. In collaboration with downstream customers, it aims to build a green and low-carbon industry chain and achieve a green brand premium. By capturing the commanding heights of the industry, the Company will innovate a high-quality development path for the circular economy and collaborative efficiency, continuously injecting new vitality into its sustainable development.

5. Persist in enhancing management effectiveness to respond to external changes

As the external environment continues to change and the Company's strategy continues to advance, the goal of creating a world-class enterprise has put forward higher requirements for the Company's management mechanism and personnel effectiveness, which must be "large-scale and agile". In 2025, the Company will continue to strengthen the management of "people, finance, and affairs", playing a strategic leading role, coordinating the

overall situation, and empowering business operations to provide systematic support for the development of various sectors; The Company will establish a matrix management relationship between headquarters functions and industrial sectors, forming an organizational system that is coherent vertically and collaborative horizontally. The Company will persist in advancing digital and intelligent management, using technologies like artificial intelligence to build an efficient, high-quality, and low-cost operational system, optimizing resource allocation, and achieving cost reduction and efficiency enhancement in enterprise operations. Meanwhile, the Company should be "accurate, precise and excellent" in personnel introduction and "strict, detailed and practical" in assessment and evaluation, so as to encourage through the incentive effect of scientific assessment employees to give full play to their personal value creatively.

In 2025, the Company will actively integrate into national strategies, uphold the "never-satisfied entrepreneurial spirit, the "unyielding" fighting spirit, and the "unceasing" spirit of innovation. With firm conviction, it will withstand external pressures, solve internal issues with innovative methods, and calmly overcome difficulties with a determined will, bravely advancing towards the goal of building a world-class new energy and new materials industry cluster.

(III) 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 relevant departments issued a series of policies in the industry, which have played a significant role in promoting the development of China's chemical and chemical fiber industry. However, at the same time, the relevant state departments are increasingly demanding on safety production, 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. Exchange rate fluctuations risks

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. Price fluctuation in main raw materials and products risks

The Company mainly purchases raw materials including crude oil and methanol for the production of important chemical and chemical fiber products in the ethylene, propylene and aromatics industry chain. 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.

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 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. 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
February 29, 2024	Company	Field research	Authority	Offline investors	Operation, future development of the Company	CNINFO: Record of Investor Relations Activities (No. 2024--001)
April 30, 2024	Conference call	Telephone communication	Authority	Online investor	Operation, future development of the Company	CNINFO: Record of Investor Relations Activities (No. 2024--002)
April 30, 2024	Conference call	Telephone communication	Authority	Online investor	Operation, future development of the Company	CNINFO: Record of Investor Relations Activities (No. 2024--003)
May 07, 2024	Value Online (https://www.ir-online.com.cn/)	Online communication via a network platform	Institutions, individuals, others	Online investor	Operation, future development of the Company	CNINFO: Record of Investor Relations Activities (No. 2024--004)
August 30, 2024	Conference call	Telephone communication	Authority	Online investor	Operation, future development of the Company	CNINFO: Record of Investor Relations Activities (No. 2024--005)
August	Conference call	Telephone	Authority	Online	Operation, future	CNINFO:

Date	Location	Way	Type of the reception object	Reception object	Main contents discussed and the information provided	Index to the basics of research
30, 2024		communication		investor	development of the Company	Record of Investor Relations Activities (No. 2024--006)

XIII. Implementation of market value management system and valuation enhancement plan

Whether the Company has established a market value management system.

☒Yes ☐No

To strengthen the Company's market value management and further standardize its practices, protect the legal rights of the Company, investors, and other stakeholders, the Company has established a Market Value Management System, which was approved at the 24th meeting of the 9th board of directors.

Whether the Company discloses its valuation enhancement plan?

☐Yes ☒No

XIV. 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 actively implemented the guiding ideology of "activating the capital market and boosting investors' confidence" proposed at a meeting of the Political Bureau of the CPC Central Committee in 2023, and the guiding ideology of "vigorously improving the quality and investment value of listed companies" proposed at a State Council Executive Meeting in 2024, firmly established the investor-based concept, attached importance to the interests of investors, and actively maintained the market stability. Based on the confidence in the Company's future development prospects and the recognition of the Company's value, the Company had formulated the action plan of "quality promotion and return enhancement" and disclosed such plan via CNINFO on March 2, 2024. 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.

For details on the progress of the quality promotion and return enhancement action plan for 2024, please refer to the announcement disclosed on the CNINFO on April 29, 2025, titled Progress Announcement on the "Quality Promotion and Return Enhancement" Action Plan.

Section IV Corporate Governance

I. Basic status of corporate governance

In strict accordance with the requirements of the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Rules for Listing of shares on Shenzhen Stock Exchange and other relevant laws, regulations and normative documents, the Company continuously has improved its corporate governance structure, enhanced the corporate governance, and established and improved various management systems, standardized its operations, strengthened the management of insider information and enhanced the information disclosure, and thus effectively safeguarded the legitimate rights and interests of the Company and all shareholders and promoted the healthy development of the enterprise.

The Company has established a check-and-balance corporate governance structure with separation of powers among the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors and the management, and by formulating and continuously improving the rules of procedure, clarified the scope of powers and responsibilities of each level, making sure that the decision-making, execution and supervision can be separated from each other, so as to form the effective checks and balances. The Company has established and continuously improved the internal control system, strengthened the internal control management mechanism, optimized the management process and improved the risk prevention mechanism to support the improvement of the Company's operational efficiency and the achievement of a sustainable and healthy development.

During the reporting period, the Company revised or formulated rules and systems such as the Articles of Association, Independent Director Work System, External Guarantee Management System, Accounting Firm Selection System, Entrusted Financial Management Internal Control System, Share and Change Management System, Related Transaction System, Market Value Management System, etc., to further strengthen internal control management and improve the construction of internal control systems.

Whether there is any material difference between the actual state of corporate governance and the laws, administrative regulations and the regulations issued by the China Securities Regulatory Commission on the governance of listed companies

☐Yes ☒No

There is no material difference between the actual state of corporate governance and the laws, administrative regulations and the regulations issued by the China Securities Regulatory Commission on the governance of listed companies.

II. Independence of the Company via the controlling shareholder and the actual controller in ensuring the Company's assets, personnel, finance, institutions and business

The Company insists on complete separation from the controlling shareholder in terms of business, personnel, assets, institutions and finance to ensure that the Company has independent and complete business and operation capability.

1. In terms of business: The Company is independent in business operation, and specifies the rights and obligations of the Company and the controlling shareholders in a related-party transaction between them in the form of a contract, which is concluded in accordance with the market-based principles, and the main terms therein are fair and reasonable for the parties thereto, and have no dependence on the controlling shareholder.

2. In terms of personnel: The Company has established a human resources department to manage the labor, personnel and remuneration work of the Company, and formulated a series of rules and regulations for the assessment, reward and punishment of employees. The directors, supervisors and senior executives of the Company are appointed by the General Meeting of Shareholders and the Board of Directors through legal procedures in strict accordance with the Company Law, the Articles of Association and other relevant regulations. The decisions on the appointment and removal of personnel made by the Board of Directors and the General Meeting of Shareholders of the Company are final without the manipulation of the controlling shareholder.

3. In terms of assets: The Company has ownership and control over its assets, and the ownership of the assets is clear, and there is no irregular occupation of funds, assets and other resources by the controlling shareholder.

4. In terms of institutions: The Company has independent decision-making and management institutions and perfect production and operation units, and there is no subordinate relationship with any functional departments of the controlling shareholder.

5. In terms of finance: The Company has an independent finance department, has established an independent financial accounting system and financial management methods, independently opened accounts in banks and

independently paid taxes according to regulations. The Company makes financial decisions independently and there is no intervention of controlling shareholders in the use of the Company's funds.

III. Horizontal competition

☐ Applicable ☒ Not Applicable

IV. Information on the annual and extraordinary general meetings of shareholders held during the reporting period

1. General meeting held during the reporting period

Session	Type of meeting	Proportion of participating investors	Date of meeting	Date of disclosure	Resolutions made at the meeting
First extraordinary general meeting of shareholders in 2024	Extraordinary general meeting of shareholders	67.95%	February 23, 2024	February 24, 2024	CNINFO: Announcement on the Resolutions of the First Extraordinary General Meeting of Shareholders in 2024 (Announcement No. 2024-009)
Second extraordinary general meeting of shareholders in 2024	Extraordinary general meeting of shareholders	66.53%	March 21, 2024	March 22, 2024	CNINFO: Announcement on the Resolutions of the Second Extraordinary General Meeting of Shareholders in 2024 (Announcement No. 2024-019)
Resolution of general meeting of shareholders in 2023	Annual general meeting of shareholders	68.34%	May 21, 2024	May 22, 2024	CNINFO: Announcement on the Resolutions of the Annual General Meeting of Shareholders in 2023 (Announcement No. 2024-041)
Third extraordinary general meeting of shareholders in 2024	Extraordinary general meeting of shareholders	67.90%	November 29, 2024	November 30, 2024	CNINFO: Announcement on the Resolutions of the Third Extraordinary General Meeting of Shareholders in 2024 (Announcement No. 2024-075)

2. Preferred shareholders whose voting rights have been restored requested to hold an extraordinary general meeting of shareholders

☐ Applicable ☒ Not applicable

V. Information on directors, supervisors and senior executives**1. Basic information**

Name	Gender	Age	Post	Position state	Starting date of tenure	Expiration date of tenure	Number of shares as at January 1, 2024 (share)	Number of shares increased in 2024 (share)	Number of shares decreased in 2024 (share)	Other increase or decrease (share)	Number of shares as at December 31, 2024 (share)	Reasons for increase/decrease in shares
Miao Han'gen	Male	59	Chairman and general manager	Current position	September 17, 2018	February 9, 2026	0	0	0	0	0	/
Ji Gaoxiong	Male	52	Vice chairman and executive deputy general manager	Current position	September 17, 2018	February 9, 2026	1,070,000	0	0	0	1,070,000	/
Qiu Hairong	Male	46	Director	Current position	September 17, 2018	February 9, 2026	739,500	0	0	0	739,500	/
			Financial principal	Resigned	September 17, 2018	October 18, 2024						
			Deputy general manager	Resigned	February 10, 2023	October 18, 2024						
Yang Xiaowei	Male	46	Director	Current position	February 10, 2023	February 9, 2026	0	0	0	0	0	/
Yuan Jianxin	Male	59	Independent director	Current position	January 15, 2021	February 9, 2026	0	0	0	0	0	/
Xu Jinye	Male	56	Independent director	Current position	March 16, 2022	February 9, 2026	0	0	0	0	0	/
Ren Zhigang	Male	49	Independent director	Current position	February 10, 2023	February 9, 2026	0	0	0	0	0	/
Ni Genyuan	Male	56	Chairman of the board of supervisors, employee	Current position	March 12, 2014	February 9, 2026	979,996	0	0	0	979,996	/

Name	Gender	Age	Post	Position state	Starting date of tenure	Expiration date of tenure	Number of shares as at January 1, 2024 (share)	Number of shares increased in 2024 (share)	Number of shares decreased in 2024 (share)	Other increase or decrease (share)	Number of shares as at December 31, 2024 (share)	Reasons for increase/decrease in shares
			supervisor									
Yang Fangbin	Male	52	Supervisor	Current position	December 15, 2022	February 9, 2026	0	0	0	0	0	/
Jing Daoquan	Male	45	Supervisor	Current position	February 10, 2023	February 9, 2026	0	0	0	0	0	/
Zhou Xuefeng	Female	45	Supervisor	Current position	January 28, 2022	February 9, 2026	0	0	0	0	0	/
Gu Shaohua	Male	33	Employee supervisor	Current position	February 10, 2023	February 9, 2026	0	0	0	0	0	/
Wang Jun	Male	53	Deputy general manager and secretary of the board of directors	Current position	December 5, 2019	February 9, 2026	776,600	0	0	0	776,600	/
Yang Tianwei	Male	43	Deputy general manager	Current position	July 2, 2024	February 9, 2026	0	0	0	0	0	/
			Financial principal	Current position	October 18, 2024							
Total	--	--	--	--	--	--	3,566,096	0	0	0	3,566,096	--

Whether there was any departure of directors or supervisors and dismissal of senior executives during the reporting period

☒Yes ☐No

During the reporting period, due to work adjustment, Mr. Qiu Hairong applied to resign from the position of Deputy General Manager and Financial Principal of the Company. He will continue to serve as a Director and member of the Strategy Committee under the Board of Directors of the Company. For details, please refer to the *Announcement on Change of the Company's Financial Principal* (Announcement No.: 2024-064) disclosed by the Company on October 19, 2024.

Change in directors, supervisors and senior officers

☒Applicable ☐Not applicable

Name	Position	Type	Date	Reasons
Qiu Hairong	Deputy general manager	Dismissal	October 18, 2024	Job transfer
Qiu Hairong	Financial principal	Dismissal	October 18, 2024	Job transfer

2. Employment status

Professional background, major work experience and current major responsibilities of the current directors, supervisors and senior executives of the Company

1. Directors

Miao Han'gen, male, born in August 1965, Han nationality, Chinese nationality, without permanent residency outside China, a member of the CPC, with a college degree.

From February 1984 to December 1992: technician, deputy director, and director of Wujiang Shenghong Silk Weaving Factory; from January 1993 to December 1996: director of Wujiang Shenghong Printing and Dyeing Factory; from January 1997 to January 2024: chairman of Sheng Hong Group Co., Ltd.; since May 2006: chairman of Shenghong Holding Group Co., Ltd.; since December 2002: chairman of Jiangsu Shenghong Technology Co., Ltd.; since September 2018: chairman and general manager of the Company.

Ji Gaoxiong, male, born in November 1972, Han nationality, Chinese nationality, without permanent residency outside China, a member of the CPC, with a bachelor's degree in economic management.

From May 2009 to December 2009: deputy director of the Investment Promotion Center of Shengze Town, Wujiang City; from January 2010 to October 2010: director of the Service Industry Development Bureau of China Eastern Silk Market; from November 2010 to March 2011: general manager of the Company; from March 2011 to September 2018: chairman of the Company; from March 2014 to September 2018: general manager of the Company; since September 2018: deputy chairman and executive deputy general manager of the Company.

Qiu Hairong, male, born in September 1978, Han nationality, Chinese nationality, without permanent residency outside China, a member of the CPC, with a bachelor degree in accounting, a Chinese certified public accountant and a Chinese certified tax agent.

From July 2001 to June 2003: accountant of Yongfengyu Paper Industry (Kunshan) Co., Ltd.; from July 2003 to February 2011: financial supervisor of Shanghai Branch and Suzhou Branch of Hongguang Precision Industry Co., Ltd.; from March 2011 to April 2014: cost accountant of Jiangsu Shenghong Technology Co., Ltd. and financial supervisor of Jiangsu Zhonglu Technology Development Co., Ltd.; from May 2014 to July 2018: head of the Group Financial Data Management Department of Shenghong Holding Group Co., Ltd.; since August 2018, work for the Company; from September 2018 to October 2024: the Company's Financial Principal; from February 2023 to October 2024: deputy general manager of the Company; since September 2018: Director of the Company.

Yang Xiaowei, male, born in November 1978, Han nationality, Chinese nationality, without permanent residency China, a member of the CPC, with a bachelor's degree in taxation.

From December 2017 to June 2022: director of the Bureau of Finance Pingwang Town Branch, director of Pingwang Town Bureau of Finance and Assets Management and deputy town chief of the people's government in Pingwang Town; since June 2022: chairman of Jiangsu Shengze Investment Co., Ltd.; since February 2023: director of the Company.

Yuan Jianxin, male, born in January 1965, Han nationality, Chinese nationality, without permanent residency outside China, a member of the CPC, with a doctorate degree in economics and the graduate degree, a professor.

From August 1985 to November 1999: a teacher at the School of Politics and Public Administration of Soochow University; since December 1999: a teacher at the School of Business of Soochow University; since January 2021: an independent director of the Company.

Xu Jinye, male, born in October 1968, Han nationality, Chinese nationality, without permanent residency outside China, a member of the CPC, PhD in accounting, associate professor, Chinese certified public accountant, and Chinese certified public appraiser.

From September 1991 to July 1997: Chief of Accounting Department at Xiqin Teaching Forest Farm of Fujian College of Forestry; from September 1997 to April 2005: a teacher at Fuzhou University; since May 2005: director of the Management Accounting and Information Technology Research Center of Shanghai University and a teacher in the Accounting Department of the School of Management of Shanghai University; since March 2022: an independent director of the Company.

Ren Zhigang, male, born in August 1975, Han nationality, Chinese nationality, without permanent residency outside China, a member of the CPC, PhD in Geochemistry, professor and doctoral supervisor.

Since August 1999: a teacher at Soochow University; since February 2023: an independent director of the Company.

2. Supervisors

Ni Genyuan, male, born in November 1968, Han nationality, Chinese nationality, without permanent residency outside China, a member of the CPC, with a bachelor's degree in automatic control, a senior engineer.

Since October 1991: working at the Shengze Thermal Power Plant of the Company, serving as the director of the Operations and Management Department, chief engineer, assistant plant director and deputy plant director successively; since January 2014: plant director of Shengze Thermal Power Plant; Since March 2014, chairman of the Company's Board of Supervisors and employee supervisor.

Yang Fangbin, male, born in March 1972, Han nationality, Chinese nationality, without permanent residency outside China, with a master's degree in business administration and accounting, master's degree, a Chinese certified public accountant, Chinese certified tax agent, and Chinese certified asset appraiser.

From November 2003 to December 2015: department manager and deputy general manager of the Business Unit at Nantong Wanlong Certified Public Accountants; from December 2015 to November 2019: salaried partner of Ruihua Certified Public Accountants (Special General Partnership) Nantong Branch; from November 2019 to August 2021: senior manager of ShineWing Certified Public Accountants (Special General Partnership); from August 2021 to November 2023: general manager of the Group Financial Data Management Department of Shenghong Holding Group Co., Ltd.; since December 2023 to July 2024: general manager of the Group Financial Internal Audit Compliance Department of Shenghong Holding Group Co., Ltd.; since July 2024: general manager of the Group Financial Budget Management Department of Shenghong Holding Group Co., Ltd.; and since December 2022: a supervisor of the Company.

Jing Daoquan, male, born in August 1979, Han nationality, Chinese nationality, without permanent residency outside China, a member of the CPC, with a bachelor's degree in light chemical engineering, a senior economist.

Since July 2003: working at Shenghong Holding Group Co., Ltd., serving as the assistant director of the Group Office and deputy director of the Group Office successively; since January 2022: the deputy director of the Administration Department; since February 2023: a supervisor of the Company.

Zhou Xuefeng, female, born in October 1979, Han nationality, Chinese nationality, without permanent residency outside China, a member of the CPC, with a bachelor degree in business administration, master's degree in computer technology, and intermediate economist.

From August 2014 to March 2023: manager of the Risk Control and Audit Department of Suzhou Wujiang Dongfang State-owned Capital Investment and Management Co., Ltd.; since March 2023: manager of the Human Resources Department of Suzhou Wujiang Dongfang State-owned Capital Investment and Management Co., Ltd.; from October 2020 to December 2024: chairman of the Board of Supervisors of Suzhou Wujiang Dongfang State-owned Capital Investment and Management Co., Ltd.; since January 2022: a supervisor of the Company.

Gu Shaohua, male, born in July 1991, Han nationality, Chinese nationality, without permanent residency outside China, with a bachelor degree in financial management and finance, intermediate accountant.

From July 2014 to March 2015: an accounting assistant of Sheng Hong Group Co., Ltd.; from March 2015 to March 2017: an accounting supervisor of Jiangsu Shenghong Petrochemical Group Co., Ltd.; from March 2017 to September 2017, the financial manager of Suzhou Suzhen Thermal Power Co., Ltd.; from September 2017 to September 2018: the financial manager of Jiangsu Zhonglu Technology Development Co., Ltd.; from September 2018 to November 2019: the financial manager of Suzhou Shenghong Fiber Co., Ltd.; from November 2019 to July 2021: the finance director of Jiangsu Guowang High-tech Fibre Co., Ltd.; since July 2021: the finance director in the Chemical Fiber Business Division of the Company; since February 2023: an employee supervisor of the Company.

3. Senior executives

Miao Han'gen has been serving as the Chairman and General Manager of the Company since September 2018 (see the "Directors" section of this section for details).

Ji Gaoxiong has been serving as the Deputy Chairman and Executive Deputy General Manager of the Company since September 2018 (see the "Directors" section of this section for details).

Qiu Hairong has been serving as a director of the Company since September 2018, the Company's financial principal from September 2018 to October 2024, and the deputy general manager from February 2023 to October 2024 (see the "Directors" section of this section for details).

Wang Jun, male, born in December 1971, Han nationality, Chinese nationality, without permanent residency outside China, a member of the CPC, with a master's degree in economic law with legal qualifications.

From August 1993 to August 2002: worked at Zhejiang University of Science and Technology with the title of lecturer; from August 2002 to May 2016: worked at Zhejiang Orient Group Co., Ltd., serving as the director of the General Office, secretary of the Board of Directors, and financial controller successively; from May 2016 to October 2019: worked at Zhejiang Baolide Co., Ltd., serving as Vice President and Executive Vice President successively; since December 2019: working at the Company; since December 2019: deputy general manager and secretary of the Board of Directors of the Company.

Yang Tianwei, male, born in February 1981, Han nationality, Chinese nationality, without permanent residency China, a member of the CPC, with a bachelor's degree in accounting and finance.

From September 2004 to October 2007: worked as the Taxation Manager of the Taxation Department of Zhongrui Yuehua Certified Public Accountants LLP (Special General Partnership); from October 2007 to April 2010: worked as the Taxation Manager of the Taxation Department of PricewaterhouseCoopers Zhongtian Certified Public Accountants LLP (Special General Partnership); from April 2010 to December 2013: worked as the Deputy Taxation Manager of the Accounting Management Department of Sinochem Corporation; from December 2013 to December 2014: worked as the General Manager Assistant of the Finance Department of Sinochem Petroleum Exploration and Development Co., Ltd.; from January 2015 to June 2017: worked as the Deputy Director and Chief Financial Officer of the Finance Department of Emerald Energy PLC in Colombia; from June 2017 to April 2020: worked as the Deputy Director of Finance of the Energy Business Department of Sinochem Group Co., Ltd.; from April 2020 to June 2024: worked as the Employee Representative Supervisor of Syngenta Group Co., Ltd. and the Chief Financial Officer of Chinese Enterprises. Since July 2024: deputy general manager of the Company; since October 2024: financial principal of the Company.

Status of the position held in shareholder entity

☒Applicable ☐Not applicable

Name of in-service staff	Name of shareholding entity	Position	Starting date of tenure	Expiration date of tenure	Whether or not to receive compensation allowance from the shareholders
Miao Han'gen	Jiangsu Shenghong Investment Development Co., Ltd.	Executive director	March 2013		No
	Jiangsu Shenghong	Executive director	March 2017		No

Name of in-service staff	Name of shareholding entity	Position	Starting date of tenure	Expiration date of tenure	Whether or not to receive compensation allowance from the shareholders
	Investment Holding Co., Ltd.				
	Shenghong Holding Group Co., Ltd.	Executive director	December 2006		No
	Shenghong (Suzhou) Group Co., Ltd.	Executive director	March 2013		No
	Shenghong Group Co., Ltd.	Chairman	January 1998	January 2024	No
	Suzhou Taida Property Co., Ltd.	Executive director	April 2014		No
	Lianyungang Bochuang Investment Co., Ltd.	Executive director	September 2014		No
	Shenghong Petrochemical Group Co., Ltd.	Executive director	April 2013		No
	Jiangsu Shenghong New Material Group Co., Ltd.	Executive director	June 2017		No
	BEST Holding Group Co., Ltd.	Director	September 2016		No
	Shenghong International Holdings Limited	Director	March 2016		No
	Wujiang Xintai Industrial Co., Ltd.	Executive director	August 2017		No
	Ningbo Shengshan Equity Investment Co., Ltd.	Executive director	May 2018		No
	Jiangsu Shenghong Technology Co., Ltd.	Chairman	December 2002		No
	Suzhou Shengyuan Science and Technology Innovation Park Management Service Co., Ltd.	Executive director	June 2019		No
	Suzhou Hongda Business Service Co., Ltd.	Executive director	June 2019		No
	Jiangsu	Executive	January 2020		No

Name of in-service staff	Name of shareholding entity	Position	Starting date of tenure	Expiration date of tenure	Whether or not to receive compensation allowance from the shareholders
	Shenghong Import and Export Co., Ltd.	director			
	Shenghong New Energy (Shanghai) Co., Ltd.	Executive director	November 2020		No
	Jiangsu Shengbang Holding Group Co., Ltd.	Executive director	March 2022		No
	Shenghong Ligend Power Technology (Jiangsu) Co., Ltd.	Chairman	November 2022		No
	Shanghai Shenghong Private Fund Management Co., Ltd.	Executive director	February 2023		No
	HONWELL (Hong Kong) Holding Group Co., Ltd.	Director			No
	Jiangsu Sibairui New Material Technology Co., Ltd.	Director	August 2024		No
Yang Xiaowei	Jiangsu Wujiang Silk Group Co., Ltd.	Chairman, Executive Director	June 2022		No
		General Manager	June 2022	September 2024	No
Jing Daoquan	Jiangsu Shengbang New Materials Co., Ltd.	Director	April 2022		No
	Shenghong Ligend New Energy Storage Technology Research Institute (Suzhou) Co., Ltd.	Supervisor	February 2024		No
	Shenghong Ligend Power Technology (Jiangsu) Co., Ltd.	Supervisor	November 2022		No
	Shenghong Ligend Power Technology (Taizhou) Co., Ltd.	Supervisor	November 2022		No
	Shenghong Ligend Power Technology (Suzhou) Co., Ltd.	Supervisor	February 2023		No

Name of in-service staff	Name of shareholding entity	Position	Starting date of tenure	Expiration date of tenure	Whether or not to receive compensation allowance from the shareholders
	Shenghong Ligend Storage Technology (Beijing) Co., Ltd.	Supervisor	October 2023		No
	Ningbo Shengshan Equity Investment Co., Ltd.	Manager	April 2022		No
	Jiangsu Shenghong Ligend New Energy Investment Co., Ltd.	Supervisor	April 2024		No
Yang Fangbin	Jiangsu Shengbang Holding Group Co., Ltd.	Supervisor	March 2022		No
	Jiangsu Shengbang New Materials Co., Ltd.	Supervisor	April 2022		No
	Jiangsu Lvhe'an Technology Co., Ltd.	Supervisor	April 2022		No
	Jiangsu Shengchuang New Material Technology Co., Ltd.	Supervisor	May 2023		No
	Lianyungang Yunhong Housing Leasing Co., Ltd.	Supervisor	January 2024		No
Zhou Xuefeng	Suzhou Wujiang Dongfang State-owned Capital Investment and Management Co., Ltd.	Supervisor	May 2017	December 2024	Yes
		Manager of HR Department	March 2023		
	Suzhou Wujiang Industrial Investment Co., Ltd.	Supervisor	December 2016		No
	Suzhou Dongfang Chuanglian Investment Management Co., Ltd.	Supervisor	February 2013		No
	Suzhou Dongfang Chuangliang Assets Management Co., Ltd.	Supervisor	April 2016		No

Name of in-service staff	Name of shareholding entity	Position	Starting date of tenure	Expiration date of tenure	Whether or not to receive compensation allowance from the shareholders
	Suzhou Dongfang Chuangrong Financing Guarantee Co., Ltd.	Employee supervisor	September 2015	March 2025	No
	Yangtze River Delta Integration Demonstration Zone (Suzhou) Innovation Investment Co., Ltd.	Supervisor	May 2016		No
	Suzhou Dongfang Chuangxun Investment Co., Ltd.	Supervisor	December 2014		No
	Suzhou Dongfang Chuangyi Assets Management Co., Ltd.	Supervisor	December 2014		No
	Suzhou Shenlongcheng Property Management Co., Ltd.	Chairman of the board of supervisors	November 2007		No
	Suzhou Wujiang Venture Capital Co., Ltd.	Supervisor	September 2008	April 2024	No
	Suzhou Dongfang Chuanghe Private Fund Management Co., Ltd.	Supervisor	October 2014	April 2024	No
Statement of the position held in shareholding entity	None				

Status of the position held in other entities

☒Applicable ☐Not applicable

Name of in-service staff	Name of other entities	Position held in other entities	Starting date of tenure	Expiration date of tenure	Whether or not to receive compensation allowance from other units
Miao Han'gen	Wujiang Chamber of Commerce Real Estate Co., Ltd.	Director	March 2017		No
Ji	Suzhou Wujiang CNPC Kunlun Gas	Chairman	January 2021	December 2024	No

Name of in-service staff	Name of other entities	Position held in other entities	Starting date of tenure	Expiration date of tenure	Whether or not to receive compensation allowance from other units
Gaoxiong	Co., Ltd.				
Yang Xiaowei	Jiangsu Shengze Investment Co., Ltd.	Chairman, Executive Director	June 2022		Yes
	Jiangsu Shengze Investment Co., Ltd.	General Manager	June 2022	August 2024	Yes
	Wujiang Shengze Urban Old City Renovation Asset Operation Co., Ltd.	Executive director	July 2022		No
	Suzhou Shengze Comprehensive Development Co., Ltd.	Chairman and general manager	December 2023	July 2024	No
Yuan Jianxin	Suzhou Institute of Building Science Group Co., Ltd.	Independent director	February 2021		Yes
	Suzhou Bearing Factory Co., Ltd.	Independent director	July 2021		Yes
Xu Jinye	Shanghai Medicilon Biopharmaceutical Co., Ltd.	Independent director	November 2018	January 2025	Yes
	Fujian Fengzhu Textile Technology Co., Ltd.	Independent director	April 2019		Yes
	Shanghai Accessen Co., Ltd.	Independent director	October 2020		Yes
	Shanghai Wangdao Financial Consulting Co., Ltd.	Supervisor	January 2009		No
Ni Genyuan	Suzhou Wujiang CNPC Kunlun Gas Co., Ltd.	Director	January 2021	December 2024	No
Jing Daoquan	Suzhou Minghong Investment Partnership (Limited Partnership)	Executive Partner	November 2022		No
Yang Tianwei	Jiangsu Yangnong Chemical Co., Ltd.	Director	June 2022	March 2024	No
	Syngenta (Shanghai) Biochemistry Innovation Center Co., Ltd.	Executive director	December 2022	December 2024	No
	Syngenta (Shanghai) International Trade Co., Ltd.	Chairman	August 2022	November 2024	No
	Syngenta Group Co., Ltd.	Supervisor	August 2021	November 2024	No
Statement	None				

Name of in-service staff	Name of other entities	Position held in other entities	Starting date of tenure	Expiration date of tenure	Whether or not to receive compensation allowance from other units
of the position held in other entities					

Penalties imposed by securities regulatory authorities on current and outgoing directors, supervisors and senior executives of the Company in the last three years

☐Applicable ☒Not applicable

3. Remuneration of directors, supervisors and senior executives

Decision-making process, determination basis and actual payout of remuneration for directors, supervisors and senior executives

(1) Decision-making process for remuneration of directors, supervisors and senior executives

The remuneration of directors and supervisors is subject to the deliberation of the General Meeting of Shareholders of the Company; and the remuneration of senior executives is subject to the deliberation of the Board of Directors of the Company.

(2) Basis for deciding the remuneration of directors, supervisors and senior executives

① According to the Proposal on Adjustment of Allowance for Independent Directors of the Company deliberated and adopted at the Eighth Extraordinary General Meeting of the Company in 2020, the allowance for independent directors will be RMB 150,000 per year (including tax) from November 2020.

② According to the Remuneration Management System for Directors, Supervisors and Senior Executives deliberated and adopted at the First Extraordinary General Meeting of the Company in 2019, internal directors who are also senior executives of the Company shall be subject to the remuneration standards for senior executives; other internal directors shall receive remuneration in accordance with the relevant remuneration management system of the Company for the specific positions they hold in the Company; Internal supervisors shall receive remuneration in accordance with the relevant remuneration management system of the Company for the specific positions they hold in the Company; and the Company will no longer grant additional allowances to internal supervisors.

③ The Company's senior executives are subject to an annual salary system, with the level of annual salary linked to their responsibilities, risks and business performance. The Remuneration and Assessment Committee of the Board of Directors of the Company proposes the annual remuneration plan for senior executives, and the annual remuneration of senior executives shall be submitted to the Board of Directors for approval.

(3) Actual payout of remuneration for directors, supervisors and senior executives

During the reporting period, the total pre-tax remuneration of directors, supervisors and senior executives of the Company was RMB 11.3645 million. The Remuneration and Appraisal Committee of the Board of Directors of Company reviewed the remuneration of directors, supervisors and senior executives of the Company disclosed in the Company's 2024 annual report, and issued the following review opinions:

The directors, supervisors and senior executives of the Company have conscientiously performed their corresponding duties according to their respective division of labor, and have better completed their work objectives; the remuneration decision-making procedures and distribution standards of directors, supervisors and senior executives of the Company shall comply with the regulations; the remuneration of directors, supervisors and senior executives disclosed in the 2024 annual report of the Company is true and accurate, and consistent with the actual distribution.

Remuneration of directors, supervisors and senior executives during the reporting period of the Company

Unit: RMB '0,000

Name	Gender	Age	Post	Position state	Total remuneration before tax from the Company	Whether get remuneration from related parties of the Company
Miao Han'gen	Male	59	Chairman and general manager	Current position	208.60	No
Ji Gaoxiong	Male	52	Vice chairman and executive deputy general manager	Current position	156.90	No
Qiu Hairong	Male	46	Director	Current position	181.80	No
			Deputy general manager	Resigned		No
			Financial principal	Resigned		No
Yang Xiaowei	Male	46	Director	Current position	0.00	Yes
Yuan Jianxin	Male	59	Independent director	Current position	15.00	No
Xu Jinye	Male	56	Independent director	Current position	15.00	No
Ren Zhigang	Male	49	Independent director	Current position	15.00	No
Ni Genyuan	Male	56	Chairman of the board of supervisors, employee supervisor	Current position	235.30	No
Yang Fangbin	Male	52	Supervisor	Current position	0.00	Yes
Jing Daoquan	Male	45	Supervisor	Current position	0.00	Yes
Zhou Xuefeng	Female	45	Supervisor	Current position	0.00	No
Gu Shaohua	Male	33	Employee supervisor	Current position	78.35	No
Wang Jun	Male	53	Deputy general manager and secretary of the board of directors	Current position	130.50	No
Yang Tianwei	Male	43	Deputy general manager and financial principal	Current position	100.00	No
Total	--	--	--	--	1,136.45	--

Notes to other circumstances

☐Applicable ☒Not applicable**VI. Directors' performance of duties during the reporting period****1. Information on the board of directors during the reporting period**

Session	Convening date	Date of disclosure	Resolutions made at the meeting
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Session	Convening date	Date of disclosure	Resolutions made at the meeting
The 12th Meeting of the 9th Board of Directors	January 26, 2024	January 27, 2024	Deliberated and approved the <i>Proposal on Expected Daily Related-party Transactions in 2024</i> , the <i>Proposal on Changing the Registered Capital of Company and Revising the Articles of Association</i> , the <i>Proposal on Revising the Working System for Independent Directors</i> , the <i>Proposal on Revising the Management System of External Guarantee</i> , <i>Proposal on Formulating the Selection and Appointment System of Accounting Firms</i> , the <i>Proposal on Revising the Rules of Procedure of the Audit Committee of the Board of Directors</i> , the <i>Proposal on Revising the Rules of Procedure of the Nomination Committee of the Board of Directors</i> , the <i>Proposal on Revising the Rules of Procedure of the Remuneration and Appraisal Committee of the Board of Directors</i> , the <i>Proposal on Convening the First Extraordinary General Meeting of Shareholders in 2024</i>
The 13th Meeting of the 9th Board of Directors	February 28, 2024	February 29, 2024	Deliberated and approved: <i>Proposal on Estimating the Amount of Mutual Guarantee in 2024</i> , <i>Proposal on Convening the Second Extraordinary General Meeting of Shareholders in 2024</i>
The 14th Meeting of the 9th Board of Directors	April 24, 2024	April 26, 2024	Deliberated and approved the <i>2023 General Manager Work Report of the Company</i> , the <i>2023 Work Report of the Board of Directors of the Company</i> , the <i>2023 Financial Final Accounts Report of the Company</i> , the <i>Performance of the Board of Directors Audit Committee and 2023 Audit Work Summary Report</i> , the <i>2023 Internal Control Evaluation Report of the Company</i> , the <i>2023 Environmental, Social and Governance Report of the Company</i> , the <i>Proposal on the Remuneration of Senior Management of the Company in 2023</i> , the <i>Full Text and Summary of the Company's 2023 Annual Report</i> , the <i>Proposal on the Profit Distribution Plan for 2023</i> , the <i>Proposal on the Appointment of the Company's Financial Audit Institution and Internal Control Audit Institution for 2024</i> , the <i>Proposal on the Use of Temporarily Idle Own Funds to Purchase Financial Products</i> , the <i>Special Report on the Deposit and Use of Raised Funds in 2023 of the Company</i> , the <i>Proposal on the Provision for Asset Impairment in 2023</i> , the <i>Proposal on the Development of Commodity Hedging Business</i> , the <i>Proposal on the Development of Foreign Exchange and Interest Rate Derivatives Trading Business</i> , the <i>Proposal on the Board of Directors Audit Committee's Performance Evaluation Report of the Accounting Firm for 2023 and the Report on the Performance of Supervisory Duties</i> , the <i>Proposal on the Special Report on the Board of Directors' Self-inspection of the Independence of Independent Directors</i> , the <i>Proposal on the Implementation of 2023 Annual Performance</i>

Session	Convening date	Date of disclosure	Resolutions made at the meeting
			<i>Commitment and Impairment Test for Issuing Shares and Paying Cash to Purchase Assets in 2021, the Proposal on the Revision of the "Trust Financing Internal Control System, the Proposal on Convening the 2023 General Meeting, and the Proposal on the Investment and Construction of 1000 KT/Year Acetic Acid Project</i>
The 15th Meeting of the 9th Board of Directors	April 29, 2024	April 30, 2024	Deliberated and approved the <i>Proposal on Provision for Asset Impairment in the First quarter of 2024 and the Report of the Company in the First Quarter of 2024</i>
The 16th Meeting of the 9th Board of Directors	May 28, 2024	May 29, 2024	Deliberated and approved the <i>Proposal on Not Revising Downward the Equity Conversion Price of Shenghong Convertible Bonds</i>
The 17th Meeting of the 9th Board of Directors	July 2, 2024	July 3, 2024	Deliberated and approved the <i>Proposal on the Appointment of the Deputy General Manager of the Company</i>
The 18th Meeting of the 9th Board of Directors	August 28, 2024	August 30, 2024	Deliberated and approved the <i>Full Text and Summary of 2024 Semi-annual Report of the Company, the Proposal on Provision for Asset Impairment in the Half Year of 2024, and the Special Report on the Deposit and Use of Funds Raised in the Half Year of 2024</i>
The 19th Meeting of the 9th Board of Directors	September 20, 2024	September 21, 2024	Deliberated and approved the <i>Proposal on Not Revising Downward the Equity Conversion Price of Shenghong Convertible Bonds and the Proposal on the Appointment of Securities Affairs Representative of the Company</i>
The 20th Meeting of the 9th Board of Directors	October 18, 2024	October 19, 2024	Deliberated and approved the <i>Proposal on the Appointment of the Financial Principal of the Company</i>
The 21st Meeting of the 9th Board of Directors	October 30, 2024	October 31, 2024	Deliberated and approved the <i>Proposal on Provision for Asset Impairment in the First Three Quarters of 2024, the Report on the Third Quarter of the Company in 2024, the Proposal on Suspending the Implementation of Degradable Materials Project (Phase I) by Subsidiary, and the Proposal on the Company's Write-off of Assets</i>
The 22nd Meeting of the 9th Board of Directors	November 11, 2024	November 12, 2024	Deliberated and approved the <i>Proposal on Revising the Articles of Association of the Company, the Proposal on Revising the Management System for Shares and Changes, the Proposal on Amending the Related Transaction System, the Proposal on Capital Increase and Share Expansion of the Subsidiary Jiangsu Guowang Hi-Tech Fiber Co., Ltd., and the Proposal on Convening the Third Extraordinary General Meeting in 2024</i>
The 23rd Meeting of the 9th Board of Directors	December 13, 2024	December 14, 2024	Deliberated and approved the <i>Proposal on the Sale of Assets Containing Precious Metal Scrap Catalyst by Subsidiaries</i>
The 24th Meeting	December 27, 2024	December 28,	Deliberated and approved the <i>Proposal on</i>

Session	Convening date	Date of disclosure	Resolutions made at the meeting
of the 9th Board of Directors		2024	<i>Estimating Daily Related Transactions in 2025, the Proposal on Estimating Mutual Guarantee Quotas in 2025, the Proposal on Amending the Rules of Procedures of the Board of Directors, the Proposal on Amending the Rules of Procedures of the Board of Directors, the Proposal on Convening the First Extraordinary General Meeting in 2025, and the Proposal on Formulating the Market Value Management System</i>

2. Attendance of directors at meetings of the Board of Directors and the General Meeting

Attendance of directors at meetings of the Board of Directors and the General Meeting							
Name of director	Number of meetings of the Board of Directors during the reporting period	Times of attendance of on-site meeting	Times of attendance of the Board of Directors by telecommunication	Times of entrusted attendance of the Board of Directors	Number of Absences from the Board of Directors	Whether not to personally attend meetings of the Board of Directors for two consecutive times	Times of attendance in the general meeting
Miao Han'gen	13	3	10	0	0	No	0
Ji Gaoxiong	13	3	10	0	0	No	4
Qiu Hairong	13	3	10	0	0	No	2
Yang Xiaowei	13	3	10	0	0	No	2
Yuan Jianxin	13	3	10	0	0	No	4
Xu Jinye	13	3	10	0	0	No	3
Ren Zhigang	13	3	10	0	0	No	4

Statement of two consecutive absences from the Board of Directors meetings in person

None

3. Objections from directors against related issues of the Company

Whether the directors raise any objection to the relevant matters of the Company

☐ Yes ☒ No

During the reporting period, the directors did not raise any objection to the relevant matters of the Company.

4. Other descriptions of directors' performance of duties

Whether the director's relevant suggestions on the Company are adopted

☒ Yes ☐ No

Explanation on directors' suggestions to the Company that were or were not adopted:

None

VII. Special committees under the Board of Directors during the reporting period

Committee name	Member status	Number of meetings held	Convening date	Meeting content	Important comments and suggestions raised	Other performance of duties	Specifics of objections
Strategy Committee	Miao Hangen, Ji Gaoxiong, Qiu Hairong, Ren Zhigang	1	April 24, 2024	<i>Company 2023 Environmental, Social and Governance Report, Company Development Strategy</i>	Matters deliberated and approved at the meeting	None	None
Audit Committee	Xu Jinye, Yuan Jianxin, Ren Zhigang, Yang Xiaowei	7	January 9, 2024	<i>Review Opinions on Reviewing the Financial Accounting Statements Preliminarily Prepared by Company, and the First Letter of Urging Accounting Firm to Submit the Audit Report within the Agreed Time Limit</i>	Matters deliberated and approved at the meeting	None	None
	Xu Jinye, Yuan Jianxin, Ren Zhigang, Yang Xiaowei		April 11, 2024	<i>Review Opinions on Reviewing the Financial Statements on which the Accounting Firm Gives Preliminary Audit Opinions, and the Second Supervision Letter on Requiring the Accounting Firm to Submit the Audit Report within the Agreed Time Limit</i>	Matters deliberated and approved at the meeting	None	None
	Xu Jinye, Yuan Jianxin, Ren Zhigang, Yang Xiaowei		April 24, 2024	<i>Relevant Resolutions on the Audit Work of Company in 2023 and Summary Report on the Performance of the Audit Committee of the Board of Directors and the Audit Work in 2023</i>	Matters deliberated and approved at the meeting	None	None
	Xu Jinye, Yuan Jianxin, Ren Zhigang, Yang Xiaowei		April 29, 2024	<i>Proposal on Provision for Asset Impairment in the First quarter of 2024 and Financial Statements of Company in the First Quarter of 2024</i>	Matters deliberated and approved at the meeting	None	None
	Xu Jinye, Yuan Jianxin, Ren Zhigang,		August 28, 2024	<i>the Full Text and Summary of 2024 Semi-annual Report of the Company, the Proposal on Provision for Asset</i>	Matters deliberated and approved at the meeting	None	None

Committee name	Member status	Number of meetings held	Convening date	Meeting content	Important comments and suggestions raised	Other performance of duties	Specifics of objections
	Yang Xiaowei			<i>Impairment in the Half Year of 2024, and the Special Report on the Deposit and Use of Funds Raised in the Half Year of 2024</i>			
	Xu Jinye, Yuan Jianxin, Ren Zhigang, Yang Xiaowei		October 18, 2024	<i>Proposal on the Appointment of the Financial Principal of the Company</i>	Matters deliberated and approved at the meeting	None	None
	Xu Jinye, Yuan Jianxin, Ren Zhigang, Yang Xiaowei		October 30, 2024	<i>Proposal on Provision for Asset Impairment in the First Three Quarters of 2024, the Report on the Third Quarter of the Company in 2024, and the Proposal on the Company's Write-off of Assets</i>	Matters deliberated and approved at the meeting	None	None
Remuneration and Assessment Committee	Ren Zhigang, Xu Jinye, Yuan Jianxin, Ji Gaoxiong	2	February 5, 2024	<i>Proposal on the Remuneration Plan for Senior Executives of the Company in 2023, Proposal on the Remuneration of Senior Executives of the Company in 2023, and Proposal on the Remuneration of Key Management Personnel of the Company in 2023</i>	Matters deliberated and approved at the meeting	None	None
	Ren Zhigang, Xu Jinye, Yuan Jianxin, Ji Gaoxiong		April 24, 2024	<i>Review Opinions on Remuneration of Directors, Supervisors and Senior Executives in the 2023 Annual Report</i>	Matters deliberated and approved at the meeting	None	None
Nomination Committee	Yuan Jianxin, Xu Jinye, Ren Zhigang, Miao Han'gen	3	July 2, 2024	<i>Proposal on the Appointment of the Deputy General Manager of the Company</i>	Matters deliberated and approved at the meeting	None	None
	Yuan Jianxin, Xu Jinye, Ren		September 20, 2024	<i>Proposal on the Appointment of Securities Affairs Representative of the</i>	Matters deliberated and approved at	None	None

Committee name	Member status	Number of meetings held	Convening date	Meeting content	Important comments and suggestions raised	Other performance of duties	Specifics of objections
	Zhigang, Miao Han'gen			<i>Company</i>	the meeting		
	Yuan Jianxin, Xu Jinye, Ren Zhigang, Miao Han'gen		October 18, 2024	<i>Proposal on the Appointment of the Financial Principal of the Company</i>	Matters deliberated and approved at the meeting	None	None
Special Meetings of Independent Directors	Xu Jinye, Yuan Jianxin, Ren Zhigang	2	January 26, 2024	<i>Proposal on Expected Daily Related-party Transactions in 2024</i>	Matters deliberated and approved at the meeting	None	None
	Xu Jinye, Yuan Jianxin, Ren Zhigang		December 27, 2024	<i>Proposal on Expected Daily Related-party Transactions in 2025</i>	Matters deliberated and approved at the meeting	None	None

VIII. Report on the Work of the Board of Supervisors

Whether the board of supervisors found any risks in the Company during the supervision activities during the reporting period

☐Yes ☒No

The Board of Supervisors has no objection to the supervision matters during the reporting period.

IX. Employees of the Company

1. Number of employees, professional composition and education level

Number of in-service employees of the parent company at the end of the reporting period (person)	461
Number of in-service employees of main subsidiaries at the end of the reporting period (person)	29,065
Total number of in-service employees at the end of the reporting period (person)	29,526
Total number of salaried employees in the current period (person)	29,526
Number of retired employees required to be paid by the parent company and its major subsidiaries	0
Professional composition	
Category of professional composition	Number of professional composition staff
Production staff	19,830
Sales staff	503
Technical staff	4,616
Financial staff	360
Administrative staff	1,518

Other staff	2,699
Total	29,526
Education background	
Education level	Number (person)
Doctor/post-doctor	41
Postgraduate	277
Undergraduate	8,361
Junior college	8,871
High school and below	11,976
Total	29,526

2. Remuneration policies

According to the different positions and positions, the Company's remuneration structure system is established, and the employees' work objectives are consistent with the enterprise objectives, so as to achieve the synchronization of employees' objectives and the Company's objectives. The Company has conducted in-depth research and continuously optimized the performance appraisal system of each subsidiary, formulated the remuneration management system, gradually formed a personalized performance appraisal system that fully reflects the operating characteristics of the subsidiary, and ensured the reasonableness and compliance of the remuneration payment.

3. Training plan

The Company has established a sound employee training, incentive and development system and attaches importance to the personal development of employees, so as to clearly define the employees' direction of development and realize their self-worth. During talent training, the Company considers its own situations, stay close to the site and employees, and sets up elite training courses to comprehensively improve the quality of its workforce; takes skills competitions as the line for the selection and training of high-skilled talents; and adopts dual channels of professional skills and management sequence to provide a development platform for outstanding talents. The Company formulates an annual training plan, refines and deepens talent training, focuses on cultivating potential and leadership, from basic talent to grass-roots cadres, middle-level cadres to senior-level leadership, to create a talent training system covering all levels and all levels, and enhance the endogenous power of employees, encourage professional and management talents in the field to output knowledge, and build a scientific and professional development and promotion path for employees.

4. Labor outsourcing

☐Applicable ☒Not applicable

X. Profit distribution and the conversion of capital reserves to share capital

Formulation, implementation or adjustment of profit distribution policies, especially for cash dividend policies during the reporting period

☒Applicable ☐Not Applicable

During the reporting period, the Company formulated the 2023 plan of profit distribution in the form of cash dividends. The plan has been approved by the 2023 annual general meeting held by Company on May 21, 2024, and was implemented on June 7, 2024, which is in line with the provisions of the articles of association of Company and the requirements of the resolution of the general meeting of shareholders. The *Announcement on the Implementation of Dividend Distribution in 2023* (Announcement No.: 2024-046) was disclosed on the website of CNINFO on May 31, 2024.

Special description of cash dividend policy	
Whether it complies with the provisions of the Articles of Association or the requirements of the resolutions of the general meeting:	Yes
Whether the dividend standard and proportion are clear and definite:	Yes

Special description of cash dividend policy	
Whether relevant decision-making procedures and mechanisms are complete:	Yes
Whether the independent directors have performed their duties and played their due roles:	Yes
If the Company does not pay cash dividends, it shall disclose the specific reasons and the next steps it plans to take to enhance the level of investor returns:	N/A
Whether minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests are fully protected:	Yes
If the cash dividend policy is adjusted or changed, whether the conditions and procedures are compliant and transparent:	N/A

The Company is profitable during the reporting period and the parent company's profit available for distribution to shareholders is positive but no cash dividend distribution plan has been proposed

☐Applicable ☒Not applicable

The Company did not report any profit during the reporting period.

Profit distribution and the conversion of capital reserves to share capital during 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 in 2024.

The Company has not realized profits in 2024. Considering the current external environment, future development plan and capital demand, etc., in order to ensure the normal production and operation of the Company, realize sustainable, stable and healthy development, and better safeguard the long-term interests of all shareholders, the Board of Directors has drawn up the profit distribution plan for 2024 as follows: no cash dividend, no bonus share, and no capital reserve to increase share capital in 2024.

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

☒Applicable ☐Not applicable

1. Equity incentive

None

Equity incentives received by directors and senior executives of the Company

☐Applicable ☒Not applicable

Evaluation mechanism and incentive of senior executives

N/A

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	Phase II	2,011	116,630,870	0 share purchased	1.76%	Employees' legal

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
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				during the current period		remuneration, self-financing, loans from controlling shareholder Shenghong Technology and other means permitted by laws and regulations
	Phase III	452	87,268,859	0 share purchased during the current period	1.32%	
	Phase IV	169	81,113,123	39,834,688 share purchased during the current period	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

None

3. Other employee incentive measures

☐Applicable ☒Not applicable

XII. Construction and implementation of internal control system during the reporting period

1. Construction and implementation of internal control

The Company has established and continuously improved its internal control system, which integrates compliance requirements and awareness throughout the entire process of system construction, covering all aspects of business processes. Meanwhile, it continues to strengthen the study, publicity and implementation of the system, and ensures the systems are well implemented. The Company actively plays the role of internal audit supervision, strengthens the prevention and control of integrity risks, improves the accountability mechanism, supervises the management responsibilities in place, and educates the staff in place, continuously optimizes the operation of the compliance system, and ensures the sustainable and high-quality development of the Company.

2. Details of major defects in internal control found during the reporting period□Yes ☒No**XIII. Management control of subsidiaries during the reporting period of the Company**

The Company has established and continuously improved the modern enterprise system, and effectively manages its subsidiaries through the general meeting, the board of directors and the board of supervisors. The Company has formed a perfect management system covering the main business, and realized the institutionalization of management. The management system of Company is also distributed to the subsidiaries, and the subsidiaries formulate their own management systems with reference to it.

XIV. Evaluation report or audit report on internal control**1. Internal Control Evaluation Report**

Date of disclosure of the full text of the internal control evaluation report	April 29, 2025	
Index of disclosure of the full text of the internal control evaluation report	CNINFO: 2024 Internal Control Evaluation Report	
Ratio of the total assets of the units included in the evaluation scope to the total assets of the Company’s consolidated financial statements	99.60%	
Ratio of the total revenue of the units included in the scope of evaluation to the total revenue of the Company’s consolidated financial statements	99.98%	
Deficiency identification criteria		
Type	Financial Statements	Non-financial Statements
Qualitative criteria	<p>1. Significant deficiencies: the deficiencies that may, alone or together with other deficiencies, result in the failure to prevent or detect and correct material misstatements in financial reporting in a timely manner. The following circumstances shall be deemed as major defects: (1) the control environment is invalid; (2) the directors, supervisors and senior managers commit fraud; (3) the external audit finds that there is a major misstatement in the current financial report, and the Company fails to find the misstatement during the operation process; (4) the major defects that have been found and reported to the manager level have not been corrected within 30 days; (5) the supervision of the internal control by the Audit Committee and the internal audit department of the Board of Directors of the Company is invalid; (6) other defects that may affect the correct judgment of the users of the statements.</p> <p>2. Important deficiencies: the deficiencies that may, alone or together with other deficiencies, result in the failure to prevent or detect and correct misstatements in financial reporting in a timely manner that do not meet or exceed the important level but should still be brought to the attention of management.</p>	<p>The following circumstances are identified as significant deficiencies, and other circumstances are identified as important deficiencies or general deficiencies, respectively, according to the degree of their impact. (1) Violation of national laws, regulations or normative documents, being punished by relevant departments, resulting in greater social impact; (2) lack or failure of control over important business systems involving the Company’s production and operation, affecting major decisions; (3) failure of internal control over information disclosure, resulting in the Company being publicly condemned by regulatory authorities; (4) failure to rectify major or important defects; (5) other circumstances that have a significant impact on the Company.</p>

	3. General deficiency: other internal control deficiencies that do not constitute a significant deficiency or an important deficiency.	
Quantitative criteria	<p>1. Major defects: potential omission of total profit: 5% of total profit \leq error or omission; potential omission of operating income: 0.5% of operating income \leq error or omission; potential omission of total assets: 0.5% of total assets \leq error or omission.</p> <p>2. Important defects: potential omission of total profit: 2% of total profit \leq error or omission $<$ 5% of total profit; potential omission of operating income: 0.1% of operating income \leq error or omission $<$ 0.5% of operating income; potential omission of total assets: 0.1% of total assets \leq error or omission $<$ 0.5% of total assets.</p> <p>3. General defects: potential omissions in total profit: errors and omissions $<$ 2% of total profit; potential omissions in operating income: errors and omissions $<$ 0.1% of operating income; potential omissions in total assets: errors and omissions $<$ 0.1% of total assets.</p>	<p>1. Significant deficiency: direct property loss amounting to RMB 50 million or more.</p> <p>2. Important deficiency: direct property losses amounting to RMB 10 million (inclusive) - RMB 50 million.</p> <p>3. General deficiency: direct property damage amounting to less than RMB 10 million.</p>
Number of significant deficiencies related to the financial report (pcs)		0
Number of significant deficiencies not related to the financial report (pcs)		0
Number of important deficiencies related to the financial report (pcs)		0
Number of important deficiencies not related to the financial report (pcs)		0

2. Internal control audit report☒Applicable ☐Not applicable

Review comments in the internal control audit report	
In our opinion, the Company, according to the Basic Standards for Enterprise Internal Control and relevant provisions, maintains effective internal control over financial reports in all material aspects as at December 31, 2024.	
Disclosure of internal control audit report	Disclosure
Date of disclosure of the full text of the internal control audit report	April 29, 2025
Index of disclosure of the full text of the internal control audit report	CNINFO: Internal Control Audit Report (Xin Kuai Shi Bao Zi [2025] No.ZA11537)
Opinion type of internal control audit report	Unqualified opinion
Whether there are significant deficiencies in non-financial reports	No

Whether the accounting firm has issued an internal control audit report with non-standard opinions

☐Yes ☒No

Whether the internal control audit report issued by the accounting firm is consistent with the opinion of the self-evaluation report of the board of directors

☒Yes ☐No**XV. Rectification of self-examination issues of special actions on governance of listed companies**

N/A

Section V Environment and social responsibility

I. Major environmental issues

Whether the listed company and its subsidiaries are among the key emission units announced by the environmental protection authorities

☒Yes ☐No

Environmental protection-related policies and industry standards

According to industry requirements, each subsidiary of the Company is required to comply with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste, the Law of the People's Republic of China on the Prevention and Control of Ambient Noise Pollution, the Law of the People's Republic of China on Environment Impact Assessment, the Law of the People's Republic of China on the Prevention and Control of Soil Pollution and other laws and regulations, and industry standards related to environmental protection during their own production process.

Environmental protection related administrative licensing

1. The existing pollution discharge permit for Shenghong Refining & Chemical's main plant was received on November 4, 2024 and will be valid until November 3, 2029; the existing radiation safety permit was received on August 4, 2023 and will be valid until February 21, 2026; and the existing pollution discharge permit for the outer tank area was received on December 16, 2022 and will be valid until December 15, 2027.

The existing pollution discharge permit of Sierbang Petrochemical was received on March 5, 2025 and will be valid until March 4, 2030; and the existing radiation safety permit was received on June 12, 2023 and will be valid until November 29, 2025.

3. The existing pollution discharge permit of Honggang Petrochemical was received on March 15, 2024 and will be valid until March 14, 2029. The existing radiation safety permit was received on June 25, 2024 and will be valid until September 22, 2027.

4. The existing pollution discharge permit for Hongjing New Materials was received on February 24, 2025 and will be valid until February 23, 2030; and the existing radiation safety permit was received on January 9, 2025 and will be valid until April 22, 2029.

5. The existing pollution discharge permit for Hongwei Chemical was received on August 26, 2024 and will be valid until August 25, 2029; and the existing radiation safety permit was received on April 23, 2025 and will be valid until April 22, 2029.

6. The existing pollution discharge permit of Guowang High-Tech was received on December 31, 2023 and will be valid until December 30, 2028.

7. The existing pollution discharge permit of Shenghong Fibers was received on December 4, 2024 and will be valid until December 3, 2029.

8. The existing pollution discharge permit of Zhonglu Technology was received on July 4, 2022 and will be valid until July 3, 2027.

9. The existing pollution discharge permit of Tangnan Sewage was received on August 14, 2022 and will be valid until August 13, 2027.

10. The existing pollution discharge permit of Ganghong Fiber was received on April 24, 2023 and will be valid until April 23, 2028.

11. The existing pollution discharge permit of Reborn Technology was received on August 20, 2021 and will be valid until August 19, 2026.

12. The existing pollution discharge permit of Guowang (Suqian) was received on December 13, 2024 and will be valid until December 12, 2029.

13. The existing pollution discharge permit of Shengze Thermal Power Plant was received on September 30, 2021 and will be valid until September 29, 2026.

14. The existing pollution discharge permit of Jiangsu Shengze Combustion Engine Cogeneration was received on February 7, 2023 and will be valid until February 6, 2028.

Industry discharge standards and specific situations of pollutant discharge involved in operating activities

Name of the company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Discharge concentration/intensity	Pollutant emission standards	Total emissions	Approved total emissions	Excess emissions
Shenghong Refining & Chemical	Exhaust gas	Particulate matter, sulfur dioxide, nitrogen oxides, volatile organic compounds	Direct emission after treatment	92	Located at the main device area of the plant area	Waste gas treatment facilities: particulate matter: $\leq 20\text{mg/m}^3$; sulfur dioxide: $\leq 50\text{mg/m}^3$; nitrogen oxides: $\leq 100\text{mg/m}^3$; volatile organic compounds: $\leq 80\text{mg/m}^3$ Waste gas discharge outlet of waste liquid incinerator: particulate matter: $\leq 30\text{mg/m}^3$; sulfur dioxide: $\leq 100\text{mg/m}^3$; nitrogen oxides: $\leq 300\text{mg/m}^3$; volatile organic compounds: $\leq 80\text{mg/m}^3$	<i>Standards for the Discharge of Malodorous Pollutants</i> (GB 14554-93), <i>Standards for the Discharge of Industrial Pollutants from Petroleum Refining</i> (GB 31570-2015), <i>Standards for the Discharge of Petrochemical Industrial Pollutants</i> (GB 31571-2015), <i>Standards for the Discharge of Volatile Organic Compounds in the Chemical Industry</i> (DB 32/3151-2016), <i>Integrated Standard for the Discharge</i>	Particulate matter: 11.24t; sulfur dioxide: 55.49t; nitrogen oxides: 1006.18t; volatile organic compounds: 79.74t	Particulate matter: 226.765t; sulfur dioxide: 296.25t; nitrogen oxides: 1520.722t; volatile organic compounds: 378.249t	None

Name of the company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Discharge concentration/intensity	Pollutant emission standards	Total emissions	Approved total emissions	Excess emissions
							<i>of Air Pollutants (DB32/4041-2021), Standard for the Control of Pollution from the Burning of Dangerous Wastes (GB 18484-2020), Standard for Fugitive Emission of Volatile Organic Compounds (GB 37822-2019)</i>			
Shenghong Refining & Chemical	Process waste water	Chemical oxygen demand, ammonia nitrogen, total nitrogen, total phosphorus	Treatment Project for Chemical High Salt Wastewater Discharged to the Donggang Sewage Treatment Plant and Petrochemical Base in the Park after Pre-	3	Located at the final monitoring tank of each sewage treatment station	Pipeline connection standards for Donggang Sewage Plant: chemical oxygen demand $\leq 500\text{mg/L}$; ammonia nitrogen $\leq 35\text{mg/L}$; total nitrogen $\leq 45\text{mg/L}$; Total phosphorus $\leq 5\text{mg/L}$ Pipeline connection	<i>Standards for the Discharge of Petrochemical Industrial Pollutants (GB 31571-2015), Standards for the Discharge of Industrial Pollutants from Petroleum Refining (GB</i>	Chemical oxygen demand: 251.71t; ammonia nitrogen: 11.7t; total nitrogen: 31.16t; total phosphorus: 0.96tons	Chemical oxygen demand: 1205.31t; Ammonia nitrogen: 101.40t; total nitrogen: 141.29t; total phosphorus: 11.79t	None

Name of the company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Discharge concentration/intensity	Pollutant emission standards	Total emissions	Approved total emissions	Excess emissions
			treatment by Sewage Treatment Station (Phase I); Discharge of regenerated concentrated water to Fangyang Outlet after treatment			standards for petrochemical base chemical high salt wastewater treatment project (Phase I): chemical oxygen demand: $\leq 200\text{mg/L}$; ammonia nitrogen: $\leq 15\text{mg/L}$; total nitrogen: $\leq 35\text{mg/L}$; total phosphorus: $\leq 2\text{mg/L}$ Discharge standard of sea outfall: chemical oxygen demand: $\leq 50\text{mg/L}$; ammonia nitrogen: $\leq 5\text{mg/L}$; total nitrogen: $\leq 15\text{mg/L}$	31570-2015), <i>Standards for the Discharge of Water Pollutants in the Chemical Industry</i> (DB32/929--2020), and pipeline connection standards for the sewage treatment plants in the Park			
Sierbang Petrochemical	Exhaust gas	Particulate matter, sulfur dioxide, nitrogen oxides, volatile organic compounds	Direct emission after treatment	69	Located at the main device area of the plant area	Waste gas treatment facilities: particulate matter: $\leq 20\text{mg/m}^3$; sulfur dioxide: $\leq 50\text{mg/m}^3$; nitrogen oxides: $\leq 100\text{mg/m}^3$; volatile organic compounds: $\leq 80\text{mg/m}^3$ Wastewater incineration facilities: particulate matter: \leq	<i>Standards for the Discharge of Petrochemical Industrial Pollutants</i> (GB31571-2015), <i>Standards for the Discharge of Volatile Organic</i>	Particulate matter: 22.17t; sulfur dioxide: 11.21t; nitrogen oxides: 262.66t; volatile organic compounds: 95.98t	Particulate matter: 147.855t; sulfur dioxide: 157.1496t; nitrogen oxides: 1269.758t; volatile organic compounds: 359.061t	None

Name of the company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Discharge concentration/intensity	Pollutant emission standards	Total emissions	Approved total emissions	Excess emissions
						30 mg/m ³ ; sulfur dioxide: ≤ 100mg/m ³ ; nitrogen oxides: ≤ 300mg/m ³ ; volatile organic compounds: ≤ 80mg/m ³ EVA and SAP units: volatile organic compounds: ≤ 60mg/m ³	<i>Compounds in the Chemical Industry</i> (DB32_3151-2016-2016), <i>Standard for the Control of Pollution from the Burning of Dangerous Waste</i> (GB18484-2020), and <i>Standards for the Discharge of Industrial Pollutants in the Production of Synthetic Resins</i> (GB31572-2015)			
Sierbang Petrochemical	Process waste water	Chemical oxygen demand, ammonia nitrogen, total nitrogen, total phosphorus	Discharged to the chemical high salt wastewater treatment plant in the park after pre-treatment by the sewage treatment	1	Located at the final observation tank of the sewage treatment station	Chemical oxygen demand: ≤ 200mg/L; ammonia nitrogen: ≤ 15mg/L; total nitrogen: ≤ 35mg/L; total phosphorus: ≤ 2mg/L	<i>Standards for the Discharge of Petrochemical Industrial Pollutants</i> (GB 31571-2015) and pipeline connection standards for	Chemical oxygen demand: 135.076t; ammonia nitrogen: 1.328t; total nitrogen: 24.831t; total phosphorus:	Chemical oxygen demand: 479.49t; ammonia nitrogen: 49.46t; total nitrogen: 70.6t; total phosphorus:	None

Name of the company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Discharge concentration/intensity	Pollutant emission standards	Total emissions	Approved total emissions	Excess emissions
			station				the sewage treatment plants in the Park	1.347t	2.58t	
Honggang Petrochemical	Exhaust gas	Dust, PX, hydrogen bromide, volatile organic compounds	Direct emission after treatment	40	Located at the main device area and finished product silo within the plant area	Dust $\leq 20\text{mg}/\text{m}^3$; PX $\leq 20\text{mg}/\text{m}^3$; bromomethane $\leq 20\text{mg}/\text{m}^3$	<i>Integrated Standards for the Discharge off Air Pollutants</i> (GB16297-1996), <i>Standards for the Discharge of Petrochemical Industrial Pollutants</i> (GB31571-2015), and <i>Standards for the Discharge of Air Pollutants from Boilers</i> (GB13271-2014)	Sulfur dioxide: 0.55t; nitrogen oxides: 2.24t; particulate matter: 0.33t; volatile organic compounds: 87.52t	Sulfur dioxide: 72.47t; nitrogen oxides: 162.72t; particulate matter: 31.7t; volatile organic compounds: 183.05t	None
Honggang Petrochemical	Process waste water	Chemical oxygen demand, ammonia nitrogen, total nitrogen, total	Discharged to the Donggang Sewage Treatment Plant in the Park after	2	Located at the main discharge outlet of the final monitoring	Chemical oxygen demand: $\leq 500\text{mg}/\text{L}$; ammonia nitrogen: $\leq 35\text{mg}/\text{L}$; total nitrogen: $\leq 45\text{mg}/\text{L}$; total phosphorus: \leq	<i>Standards for the Discharge of Petrochemical Industrial Pollutants</i> (GB	Chemical oxygen demand: 540.56t; ammonia nitrogen:	Chemical oxygen demand: 2640.64t; ammonia nitrogen:	None

Name of the company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Discharge concentration/intensity	Pollutant emission standards	Total emissions	Approved total emissions	Excess emissions
		phosphorus	treatment by the sewage pre-treatment station		tank of the sewage treatment station	5mg/L	31571-2015) and pipeline connection standards for the sewage treatment plants in the Park	1.56t; total nitrogen: 42.30t; total phosphorus: 4.44t	188.59t; total nitrogen: 231.65t; total phosphorus: 28.7t	
Hongwei Chemical	Exhaust gas	Dust, sulfur dioxide, nitrogen oxides, and volatile organic compounds	Direct emission after treatment	4	Located at the main device area and finished product silo within the plant area	Waste gas treatment facilities: particulate matter: $\leq 20\text{mg}/\text{m}^3$; sulfur dioxide: $\leq 50\text{mg}/\text{m}^3$; nitrogen oxides: $\leq 100\text{mg}/\text{m}^3$; volatile organic compounds: $\leq 80\text{mg}/\text{m}^3$ Alkali waste discharge outlet of waste liquid incinerator: particulate matter: $\leq 30\text{mg}/\text{m}^3$; sulfur dioxide: $\leq 100\text{mg}/\text{m}^3$; nitrogen oxides: $\leq 300\text{mg}/\text{m}^3$; volatile organic compounds: $\leq 80\text{mg}/\text{m}^3$	<i>Standards for the Discharge of Malodorous Pollutants</i> (GB 14554-93), <i>Standards for the Discharge of Petrochemical Industrial Pollutants</i> (GB 31571-2015), <i>Standards for the Discharge of Volatile Organic Compounds in the Chemical Industry</i> (DB 32/3151-2016), <i>Integrated Standards for the Discharge of Air Pollutants</i>	Sulfur dioxide: 0.34t; nitrogen oxides: 23.853t; particulate matter: 0.878t; volatile organic compounds: 0.459t	Sulfur dioxide: 42.395; nitrogen oxides: 75.17t; particulate matter: 2.46t; volatile organic compounds: 19.61t	None

Name of the company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Discharge concentration/intensity	Pollutant emission standards	Total emissions	Approved total emissions	Excess emissions
							(DB32/4041-2021), <i>Standard for the Control of Pollution from the Burning of Dangerous Wastes</i> (GB 18484-2020), <i>Standard for Fugitive Emission of Volatile Organic Compounds</i> (GB 37822-2019)			
Hongjing New Materials	Exhaust gas	Dust, sulfur dioxide, nitrogen oxides, and volatile organic compounds	Direct emission after treatment	23	Located at the main device area and finished product silo within the plant area	Waste gas treatment facilities: particulate matter: $\leq 20\text{mg/m}^3$; sulfur dioxide: $\leq 50\text{mg/m}^3$; nitrogen oxides: $\leq 100\text{mg/m}^3$; volatile organic compounds: $\leq 80\text{mg/m}^3$ Alkali waste discharge outlet of waste liquid incinerator: particulate matter: $\leq 30\text{mg/m}^3$; sulfur dioxide: \leq	<i>Standards for the Discharge of Malodorous Pollutants</i> (GB 14554-93), <i>Standards for the Discharge of Petrochemical Industrial Pollutants</i> (GB 31571-2015), <i>Standards for the Discharge of Volatile</i>	Sulfur dioxide: 0; nitrogen oxides: 0.96t; particulate matter: 0.32t; volatile organic compounds: 0.11t	Sulfur dioxide: 0.964t; nitrogen oxides: 26.36t; particulate matter: 3.598t; volatile organic compounds: 19.45t	None

Name of the company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Discharge concentration/intensity	Pollutant emission standards	Total emissions	Approved total emissions	Excess emissions
						100mg/m ³ ; nitrogen oxides: ≤ 300mg/m ³ ; volatile organic compounds: ≤ 80mg/m ³	<i>Organic Compounds in the Chemical Industry</i> (DB 32/3151-2016), <i>Integrated Standards for the Discharge of Air Pollutants</i> (DB32/4041-2021), <i>Standard for the Control of Pollution from the Burning of Dangerous Wastes</i> (GB 18484-2020), <i>Standard for Fugitive Emission of Volatile Organic Compounds</i> (GB 37822-2019)			
Guowang High-Tech	Exhaust gas	Nitrogen oxides, non methane total hydrocarbon, sulfur	Direct emission after treatment	4	Located at the main device area of the plant	Nitrogen oxides: ≤ 50mg/ Nm ³ ; non methane total hydrocarbons: ≤ 60 mg/ Nm ³ ; sulfur	<i>Standards for the Discharge of Air Pollutants from Boilers</i>	Nitrogen oxides: 24.1689t; non methane total hydrocarbons:	Nitrogen oxides: 83.0143t; non methane total hydrocarbons:	None

Name of the company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Discharge concentration/intensity	Pollutant emission standards	Total emissions	Approved total emissions	Excess emissions
		dioxide, particulate matter			area	dioxide: $\leq 35\text{mg}/\text{Nm}^3$; particulate matter: $\leq 10\text{ mg}/\text{Nm}^3$	(DB32/4385--2022), <i>Integrated Standards for the Discharge of Air Pollutants</i> (DB32/4041--2021), and <i>Standards for the Discharge of Industrial Pollutants in the Production of Synthetic Resins</i> (GB31572-2015)	1.506654t	6.39t	
Guowang High-Tech	Waste water	Chemical oxygen demand, ammonia nitrogen, total nitrogen, total phosphorus	Discharged to Tangnan Wastewater Treatment Plant after pretreatment by the wastewater treatment station	1	Located at the sewage pre-treatment station in the plant area	Chemical oxygen demand: $\leq 500\text{mg}/\text{L}$; ammonia nitrogen: $\leq 40\text{mg}/\text{L}$; total nitrogen: $\leq 40\text{mg}/\text{L}$; total phosphorus: $\leq 8\text{mg}/\text{L}$	<i>Standards for the Discharge of Industrial Pollutants in the Production of Synthetic Resins</i> (GB31572-2015) and pipeline connection standards for the sewage	Chemical oxygen demand: 24.934242t; ammonia nitrogen: 0.59326t; total nitrogen: 4.567678t; total phosphorus: 0.075979t	Chemical oxygen demand: 340.9064t; ammonia nitrogen: 15.022t; total nitrogen: 18.603t; total phosphorus: 2.4699t	None

Name of the company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Discharge concentration/intensity	Pollutant emission standards	Total emissions	Approved total emissions	Excess emissions
							treatment plants			
Shenghong Fibers	Exhaust gas	Nitrogen oxides, non methane total hydrocarbon, sulfur dioxide, particulate matter	Organized discharge	2	Located at the main device area of the plant area	Nitrogen oxides: $\leq 50\text{mg}/\text{Nm}^3$; non methane total hydrocarbons: $\leq 60\text{mg}/\text{Nm}^3$; sulfur dioxide: $\leq 35\text{mg}/\text{Nm}^3$; particulate matter: $\leq 10\text{mg}/\text{Nm}^3$	<i>Standards for the Discharge of Air Pollutants from Boilers</i> (DB32/4385--2022), <i>Integrated Standards for the Discharge of Air Pollutants</i> (DB32/4041--2021), and <i>Standards for the Discharge of Industrial Pollutants in the Production of Synthetic Resins</i> (GB31572-2015)	Nitrogen oxides: 13.04499t; non methane total hydrocarbons: 0.771288t	Nitrogen oxides: 26.2119t; non methane total hydrocarbons: 7.645t	None
Shenghong Fibers	Waste water	Chemical oxygen demand, ammonia nitrogen, total nitrogen, total phosphorus	Discharged to the Centralized Industrial Sewage Treatment Plant after the	1	Located at the sewage pre-treatment station in the plant area	Chemical oxygen demand: $\leq 500\text{mg}/\text{L}$; ammonia nitrogen: $\leq 45\text{mg}/\text{L}$; total nitrogen: $\leq 70\text{mg}/\text{L}$; total phosphorus: $\leq 8\text{mg}/\text{L}$	<i>Standards for the Discharge of Industrial Pollutants in the Production of Synthetic Resins</i>	Chemical oxygen demand: 2.936178t; ammonia nitrogen: 0.010605t;	Chemical oxygen demand: 309.69t; ammonia nitrogen: 15.8335t; total	None

Name of the company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Discharge concentration/intensity	Pollutant emission standards	Total emissions	Approved total emissions	Excess emissions
			pre-treatment by the sewage treatment station				(GB31572-2015) and pipeline connection standards for the sewage treatment plants	total nitrogen: 0.3041t; total phosphorus: 0.081322t	nitrogen: 19.063t; total phosphorus: 2.31163t	
Zhonglu Technology	Exhaust gas	Non methane total hydrocarbons	Direct emission after treatment	1	Located at the main device area of the plant area	Non methane total hydrocarbons: ≤ 60 mg/Nm ³	<i>Integrated Standards for the Discharge of Air Pollutants</i> (DB32/4041-2021), and <i>Standards for the Discharge of Industrial Pollutants in the Production of Synthetic Resins</i> (GB31572-2015)	Non methane total hydrocarbons: 0.3585t	Non methane total hydrocarbons: 1.9154t	None
Ganghong Fiber	Exhaust gas	Nitrogen oxides, non methane total hydrocarbon, sulfur dioxide, particulate matter	Organized discharge	1	Located at the main device area of the plant area	Nitrogen oxides: ≤ 50 mg/ Nm ³ ; non methane total hydrocarbons: ≤ 60 mg/ Nm ³ ; sulfur dioxide: ≤ 35 mg/ Nm ³ ; particulate matter: ≤ 10 mg/ Nm ³	<i>Standards for the Discharge of Air Pollutants from Boilers</i> (DB32/4385--2022), <i>Integrated</i>	Nitrogen oxides: 16.5t; non methane total hydrocarbons: 1.567734t	Nitrogen oxides: 24.36t; non methane total hydrocarbons: 8.53t	None

Name of the company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Discharge concentration/intensity	Pollutant emission standards	Total emissions	Approved total emissions	Excess emissions
							<i>Standards for the Discharge of Air Pollutants</i> (DB32/4041--2021), and <i>Standards for the Discharge of Industrial Pollutants in the Production of Synthetic Resins</i> (GB31572-2015)			
Ganghong Fiber	Waste water	Chemical oxygen demand, ammonia nitrogen, total nitrogen, total phosphorus	Discharged to Tangnan Wastewater Treatment Plant after pretreatment by the wastewater treatment station	1	Located at the sewage pre-treatment station in the plant area	Chemical oxygen demand: $\leq 500\text{mg/L}$; ammonia nitrogen: $\leq 40\text{mg/L}$; total nitrogen: $\leq 40\text{mg/L}$; total phosphorus: $\leq 8\text{mg/L}$	<i>Standards for the Discharge of Industrial Pollutants in the Production of Synthetic Resins</i> (GB31572-2015) and pipeline connection standards for the sewage treatment plants	Chemical oxygen demand: 2.123284t; ammonia nitrogen: 0.037855t; total nitrogen: 0.602505t; total phosphorus: 0.003769t	Chemical oxygen demand: 12.06t; ammonia nitrogen: 1.51t; total nitrogen: 1.58t; total phosphorus: 0.201t	None
Tangnan Sewage	Waste water	Chemical oxygen	Directly enter the water	1	Located at the sewage	Chemical oxygen demand: $\leq 60\text{mg/L}$;	<i>Standards for the Discharge</i>	Chemical oxygen	Chemical oxygen	None

Name of the company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Discharge concentration/intensity	Pollutant emission standards	Total emissions	Approved total emissions	Excess emissions
		demand, ammonia nitrogen, total nitrogen, total phosphorus	environment such as rivers, lakes and reservoirs		treatment station in the plant area	ammonia nitrogen: $\leq 8\text{mg/L}$; total nitrogen: $\leq 40\text{mg/L}$; total phosphorus: $\leq 1\text{mg/L}$	<i>of Pollutants for Synthetic Resin Industry</i> (GB31572-2015)	demand: 12.287685t; ammonia nitrogen: 0.166637t; total nitrogen: 6.278424t; total phosphorus: 0.021131t	demand: 82.13t; ammonia nitrogen: 6.84t; total nitrogen: 20.53t; total phosphorus: 0.68t	
Reborn Technology	Waste water	Chemical oxygen demand, ammonia nitrogen, total nitrogen, total phosphorus	After pretreatment by the sewage treatment station, it is discharged into the sewage treatment plant of Siyang County Wood Industry Park	1	Located at the south side of sewage pre-treatment station in the plant area	Chemical oxygen demand: $\leq 400\text{mg/L}$; ammonia nitrogen: $\leq 25\text{mg/L}$; total phosphorus: $\leq 35\text{mg/L}$; total nitrogen: $\leq 4.5\text{mg/L}$	<i>Water Quality Standard for Wastewater Discharged into Urban Sewer</i> (GB/ton 31962-2015), <i>Integrated Wastewater Discharge Standard</i> (GB8978-1996) and standard for taking over of wastewater treatment plant in the park	Chemical oxygen demand: 0.021t; ammonia nitrogen: 0.0021t; total phosphorus: 0.011t; total nitrogen: 0.109t	Chemical oxygen demand: 58.336t; ammonia nitrogen: 1.936t; total phosphorus: 0.197t; total nitrogen: 5.1t	None
Guowang (Suqian)	Exhaust gas	Nitrogen oxides, volatile organic	Organized discharge	1	Arranged in the main device area of the plant	Sulfur dioxide: $\leq 25\text{mg/m}^3$; oxide: $\leq 30\text{mg/m}^3$; particulate matter: $\leq 5\text{mg/m}^3$	<i>"Green Benchmarking" Demonstration Enterprises in</i>	Sulfur dioxide: 7.79t; nitrogen oxides: 24.25t;	Sulfur dioxide: 72.66t; nitrogen	None

Name of the company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Discharge concentration/intensity	Pollutant emission standards	Total emissions	Approved total emissions	Excess emissions
		compound, sulfur dioxide, particulate matter,				volatile organic compounds ≤ 4.8 mg/m ³	<i>Suqian City Requiring Implementation of Emission Limits, Comprehensive Standards for the Discharge of Air Pollutants (DB32/4041--2021)</i>	particulate matter: 1.63t; volatile organic compounds: 2.851t	oxides: 90.74t; particulate matter: 17.08t; volatile organic compounds: 93.465t	
Shengze Thermal Power Plant	Exhaust gas	Smoke dust, sulfur dioxide, nitrogen oxides	Direct emission after treatment	3	Main chimney discharge outlet is arranged on the north side of the plant area	Smoke dust: ≤ 10 mg/ Nm ³ ; sulfur dioxide: ≤ 35 mg/ Nm ³ ; nitrogen oxides: ≤ 50 mg/ Nm ³	<i>Standards for the Discharge of Air Pollutants from Thermal Power Plants (GB13223-2011)</i>	Smoke dust: 6.15t; sulfur dioxide: 41.69t; nitrogen oxides: 150.26t	Smoke dust: 34.05t; sulfur dioxide: 302.92t; nitrogen oxides: 427.07t	None
Shengze Combustion Engine Cogeneration	Exhaust gas	Smoke dust, sulfur dioxide, nitrogen oxides	Direct emission after treatment	2	The waste heat boiler stack is arranged on the south side of the plant area	Smoke dust: ≤ 10 mg/ Nm ³ ; sulfur dioxide: ≤ 35 mg/ Nm ³ ; nitrogen oxides: ≤ 30 mg/ Nm ³	<i>Standards for the Discharge of Air Pollutants from Thermal Power Plants (GB13223-2011); Standards for the Discharge of Air</i>	Smoke dust: 0.04t; sulfur dioxide: 0.18t; nitrogen oxides: 4.8t	Smoke dust: 23.1t; sulfur dioxide: 14.79t; nitrogen oxides: 198.08t	None

Name of the company or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Discharge concentration/intensity	Pollutant emission standards	Total emissions	Approved total emissions	Excess emissions
							<i>Pollutants from Thermal Power Plants</i> (GB13223-2011); the concentration requirements for nitrogen oxide emissions shall meet the <i>Standards for the Discharge of Air Pollutants for Stationary Gas Turbines</i> (DB32/3967-2021)			

Treatment of contaminants

The above-mentioned units build pollutant treatment facilities in accordance with the requirements of the environmental impact assessment of construction projects. At present, the pollution prevention and control facilities are operating normally, and the daily maintenance and repair of equipment and facilities are emphasized to ensure the high efficiency and stability of pollutant treatment facilities, which can all meet the limits of the EIA and related design requirements.

Response Plan for Environmental Emergencies

The above-mentioned entities have prepared and continuously revised *the Response Plan for Environmental Emergencies*, including:

1. Shenghong Refining & Chemical has filed with the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone, with the filing numbers of 320703-2024-034-H (XW) (main plant area) and 320741-2022-016-H (outer tank area).
2. Sierbang Petrochemical has filed with the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone, with the filing number of 320703-2024-018-H (XW).
3. Honggang Petrochemical has filed with the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone, with the filing number of 320741-2023-018-H.
4. Hongjing New Materials has filed with the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone, with the filing number of 320703-2024-030-H (XW).
5. Hongwei Chemical has filed with the Environmental Protection Bureau of the National Eastern-Central-Western Regional Cooperation Demonstration Zone, with the filing number of 320703-2024-023-H (XW).
6. Guowang High-Tech has filed with Ecological Environment Bureau of Wujiang District, Suzhou City, with the filing number of 320509-2023-153-H.
7. Shenghong Fiber has been filed with the Ecological Environment Bureau of Wujiang District, Suzhou City, with the filing number of 320509-2024-172-M.
8. Tangnan Sewage has been filed with Ecological Environment Bureau of Wujiang District, Suzhou City, with the filing number of 320509-2023-154-L.
9. Ganghong Fiber has been filed with Ecological Environment Bureau of Wujiang District, Suzhou City, with the filing number of 320509-2023-082-H.
10. Zhonglu Technology has been filed with the Ecological Environment Bureau of Wujiang District, Suzhou City, with the filing number of 320509-2024-170-M.
11. Reborn Technology has been filed with Siyang Ecological Environment Bureau of Suqian City, with the filing number of 321323-2024-066-L.
12. Guowang (Suqian) has been filed with Siyang Ecological Environment Bureau of Suqian City, with the filing number of 321323-2024-061-H.
13. Shengze Thermal Power Plant has been filed with Ecological Environment Bureau of Wujiang District, Suzhou City, with the filing number of 320509-2023-117-M.
14. Shengze Gas Turbine Thermal Power has been filed with the Ecological Environment Bureau of Wujiang District, Suzhou City, with the filing number of 320509-2023-133-M.

Self-monitoring scheme for environment

The above-mentioned units shall prepare environmental self-monitoring plans in accordance with the monitoring contents of the pollutant discharge license, entrust qualified units to conduct regular monitoring, and regularly declare environmental monitoring data.

Information on investment in environmental governance and protection and payment of environmental protection tax

In accordance with the relevant requirements of the state and local governments, the Company's subsidiaries completed various monitoring and environmental governance work. In 2024, the Company invested a total of RMB 1,843.2945 million in environmental protection-related investment, equipment construction and technical transformation. In 2024, the Company actually paid environmental protection tax of RMB 8.7011 million.

Measures taken to reduce its carbon emissions during the reporting period and their effects

☒Applicable ☐Not applicable

The Company has integrated the "carbon dioxide peaking and carbon neutrality" strategic goal into the enterprise development plan, fully implemented the concept of green and low-carbon development, vigorously developed green manufacturing, and built a green production system to promote sustainable and green development. The measures and effects taken to reduce carbon emissions during the reporting period and their effects are detailed in the 2024 Sustainability Report disclosed by Company on the CNINFO on April 29, 2025.

Administrative penalties due to environmental issues during the reporting period

None

Other environmental information that should be made public

Environmental information that should be disclosed has been disclosed on the environmental information disclosure platform as required.

Other environmental protection related information

None

Environmental accidents of listed companies

None

II. Social responsibility

The 26th meeting of the 9th Board of Directors of the Company reviewed and approved the 2024 Sustainability Report, which recorded in detail the Company's performance of social responsibility during the reporting period. The full report was disclosed on the CNINFO on April 29, 2025.

III. Consolidation and expansion of poverty alleviation achievements and rural revitalization

The implementation of the rural revitalization strategies during the reporting period are detailed in the 2024 Sustainability Report disclosed by Company on the CNINFO on April 29, 2025.

Section VI Significant matters

I. Fulfillment of commitments

1. Commitments of actual controller, shareholders, affiliates, acquirer, the Company and other related parties that are performed in the reporting period and not performed 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	Lianyungang Bohong Industrial Co., Ltd.; Shenghong Petrochemical Group Co., Ltd.	Other commitments	They ensure that the consideration shares will be used for fulfilling the performance compensation commitment on a priority basis, and they will not escape from the compensation obligation by pledging shares and other ways; when pledging the consideration shares in the future, they will notify the pledgee in writing of the potential performance commitment compensation obligations of the above shares according to the performance compensation agreement, and make clear agreement with the pledgee in the pledge agreement regarding the use of the relevant shares for payment of performance compensation, etc. During the performance commitment period, no pledge of the consideration shares obtained in this transaction will be made to ensure that the consideration shares obtained by the Company can be fully used to fulfill the performance compensation commitment. If the Company breaches the above commitment, it will bear the corresponding legal responsibility in accordance with the law.	January 27, 2022	to April 30, 2024	Commitments fulfilled
Commitments made during asset restructuring	Lianyungang Bohong Industrial Co., Ltd.; Shenghong Petrochemical Group Co., Ltd.	Performance commitments and compensation arrangement	Sierbang Petrochemical's net profit attributable to the company after deducting non-recurring profit or loss was not less than RMB 1,783.8004 million, RMB 1,508.6533 million and RMB 1,842.5290 million for 2021, 2022 and 2023 respectively. If the restructuring fails to complete the delivery of the target company before December 31, 2021 (inclusive), the compensation obligor agrees and undertakes that the target company's net profit attributable to the company after deducting non-recurring profit or loss for 2022, 2023 and 2024 shall not be less than RMB 1,508.6533 million, RMB 1,842.5290 million and RMB 1,779.4817 million, respectively. If the actual audited net profit of the target company in the performance commitment year is higher than the committed net profit in the performance commitment year, the excess amount may be cumulated with the actual audited net profit of the target company in the subsequent years, and such cumulative amount shall be deemed to be the actual net profit achieved by the target company in the corresponding subsequent years.	January 27, 2022	to April 30, 2024	Commitments fulfilled
Commitments	Lianyungang	Commitment	1. The newly issued shares of the Listed Company acquired by the	January 27,	to January 26,	Shares were

Reasons for commitment	Party making commitment	Commitment type	Commitment content	Commitment time	Commitment period	Fulfillment status
made during asset restructuring	Bohong Industrial Co., Ltd.; Shenghong Petrochemical Group Co., Ltd.	on share restrictions	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 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 not in line 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.	2022	2025	listed and circulated on January 27, 2025 and commitments have been fulfilled
Commitments made during asset restructuring	Jiangsu Shenghong Technology Co., Ltd.	Other commitments	1. The Company has transferred the above 14 trademarks to Suzhou Shenghong Fiber Co., Ltd., and the relevant transfer procedures are currently being processed. The application for the transfer of the above-mentioned trademarks with serial numbers 1-12 has been submitted to the Trademark Office of the State Administration for Industry and Commerce, and the owner change procedures would be completed by the end of June 2018. The	January 31, 2018	Effective in the long term	Commitments have been fulfilled, and the transfer and change procedures for the trademarks

Reasons for commitment	Party making commitment	Commitment type	Commitment content	Commitment time	Commitment period	Fulfillment status
			<p>application for the transfer of trademarks with serial numbers 13--14 has been filed with the relevant departments in Taiwan and the International Registration Office of the Trademark Office, and the owner change procedures are currently being carried out normally. Due to the complexity of overseas trademark transfer procedures, it is estimated that such procedures will take a long time, and the Company will complete the owner change procedures as soon as possible. 2. The Company applied for a trademark to the Pakistani trademark authority in October 2013, and obtained a trademark certificate with the registration number "348483" in December 2017. On January 8, 2018, the Company signed an agreement on the transfer of such trademark with Suzhou Shenghong Fiber Co., Ltd., and entrusted a trademark agency to handle the transfer procedures. Due to the complexity of overseas trademark transfer procedures, it is estimated that such procedures will take a long time, and the Company will complete the owner change procedures as soon as possible. The above-mentioned trademarks do not have rights restrictions such as pledge, nor do they have any ownership disputes or potential ownership disputes. Before the above-mentioned trademark transfer procedures are completed, the Company agrees and confirms that Suzhou Shenghong Fiber Co., Ltd. has the right to use such trademarks for free until the transfer procedures are completed. If the transfer of the above trademarks fails, the Company will be responsible for all the losses caused to Suzhou Shenghong Fiber Co., Ltd.</p>			have been completed
Commitments made during asset restructuring	Zhu Hongmei	Other commitments	<p>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</p>	August 18, 2017	Effective in the long term	As of the end of 2024, no shares were sold

Reasons for commitment	Party making commitment	Commitment type	Commitment content	Commitment time	Commitment period	Fulfillment status
			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 months before the suspension of the Listed Company for major asset restructuring would be vested in the Listed Company.”			
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 <i>the Provisions on the Supervision and Administration of Depository Receipts under the Stock Connect Scheme between Domestic and Overseas Stock Exchanges</i> , which stipulates that "the depository 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".	December 28, 2022	to December 27, 2025	In the process of fulfillment
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 of the end of 2024, the commitment performance conditions have not been met
Whether the commitments are fulfilled on time			Yes			
If the commitments are overdue and not fulfilled, the specific reasons for the failure to fulfill and the next work plan shall be explained in detail.			N/A			

2. If there is a profit forecast for the Company's assets or projects, and the reporting period is still in the profit forecast period, the Company explains whether the assets or projects have met the original profit forecast and the reasons therefor

☐Applicable ☒Not applicable

II. Non-operational appropriation of funds by the controlling shareholder and other related parties to the listed company

☐Applicable ☒Not applicable

During the reporting period of the Company, there was no non-operational appropriation of funds by the controlling shareholder and other related parties to the listed company.

III. Violation of external guarantees

☐Applicable ☒Not applicable

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

IV. Notes of the Board of Directors on the latest "non-standard auditor's reports"

☐Applicable ☒Not applicable

V. Explanations of the Board of Directors, the Board of Supervisors and independent directors (if any) on the "non-standard auditor's report" issued by the accounting firm for this reporting period

☐Applicable ☒Not applicable

VI. Notes to the changes in accounting policies and accounting estimates or the correction of significant accounting errors compared with the financial report of the previous year

☒Applicable ☐Not applicable

Please refer to "34. Significant changes in accounting policies and estimates" under "V. Significant accounting policies and estimates" in Section X for changes in accounting policies.

VII. Notes to changes in the scope of consolidated statements compared with the financial report of the previous year

☒Applicable ☐Not applicable

In this period, the scope of consolidation increased by 5 companies and decreased by 3 companies. As of the end of 2024, the number of the companies included in the consolidated financial statements is 52.

VIII. Appointment and dismissal of accounting firm

Current accounting firm

Name of domestic accounting firm	BDO CHINA Shu Lun Pan Certified Public Accountants LLP
Remuneration of domestic accounting firm (0'000 RMB)	378
Consecutive years of audit services provided by domestic accounting firm	7
The names of the certified public accountants of the domestic accounting firm	Zhu Ying, Tang Yi
Consecutive years of audit services provided by certified public accountants of domestic accounting firm	Zhu Ying has provided audit service for 2 year, and Tang Yi has provided audit service for 5 consecutive years.

Whether to change the accounting firm in the current period

☐Yes ☒No

Engagement of internal control audit accounting firms, financial consultants or sponsors

☒Applicable ☐Not applicable

The Company has engaged BDO CHINA Shu Lun Pan Certified Public Accountants LLP as the Company's internal control audit firm in 2024, and the internal control audit remuneration is RMB 0.6 million.

IX. Delisting after annual report disclosure

☐Applicable ☒Not applicable

X. Matters related to bankruptcy and reorganization

☐Applicable ☒Not applicable

During the reporting period, there were no matters related to bankruptcy and reorganization of the Company.

XI. Significant litigation and arbitration

☐Applicable ☒Not applicable

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

XII. Punishment and rectification

☐Applicable ☒Not applicable

There was no punishment or rectification during the reporting period.

XIII. Credit status of the Company, its controlling shareholders and actual controllers

☐Applicable ☒Not applicable

XIV. Major related transactions**1. Related transactions related to daily operations**

☑Applicable ☐Not applicable

Related party	Relationship	Type of related transactions	Content of related transaction	Pricing principles for related transactions	Related transaction price	Amount of related transaction (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.	Trading is priced based on government guidance price	Priced based on government guidance price	480,330.17	99.92%	603,194.97	No	Monthly settlement	Not applicable
Total				--	--	480,330.17	--	603,194.97	--	--	--
Date of disclosure				January 27, 2024							
Disclosure index				CNINFO: Announcement on Expected Daily Related-party Transactions in 2024 (Announcement No.: 2024-004)							
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				During the reporting period, the related transactions between the Company and related parties that are related to daily operations can be referred to in Section X, "XIV. Related parties and related-party transactions"							
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 involving joint foreign investment

☐Applicable ☒Not applicable

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

4. Related claims and debts

☒Applicable ☐Not applicable

Whether there are non-operating related claims and debts

☒Yes ☐No

Claims receivable from related parties

Not applicable

Debts payable to related parties

Related party	Relationship	Forming reason	Balance as at January 1, 2024 (RMB'0,000)	Increases in 2024 (RMB'0,000)	Refund in 2024 (RMB'0,000)	Interest rate	Interest in 2024 (RMB'0,000)	Balance as at December 31, 2024 (RMB'0,000)
Shenghong Petrochemical Group Co., Ltd.	Controlled by the same actual controller	Lending [Remark]	30,676.32	/	30,676.32	/	/	0.00
Hongwei (Lianyungang) Fine Chemicals Co., Ltd.	Other related relationship	Lending [Remark]	4,123.68	/	4,123.68	/	/	0.00

Remark: In 2023, the Company underwent an acquisition with entities under common control, which resulted from transactions between the Company and entities under common control that occurred before the acquisition date.

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 and related parties.

6. Dealing between financial companies controlled by the Company and related parties

☐Applicable ☒Not applicable

7. Other significant related transactions

☒Applicable ☐Not applicable

During the reporting period, please refer to "XIV. Related parties and related transactions" in Section X for other related transactions related to daily 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
<i>Announcement on Estimated Daily Related transactions in 2024</i> (Announcement No.: 2024-004)	January 27, 2024	CNINFO

XV. 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

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	September 10, 2019	49,000	Joint liability guarantee	September 10, 2037	No	No
Honggang Petrochemical	August 31, 2019	270,000	September 20, 2019	190,144.44	Joint liability guarantee	September 20, 2032	No	No
Shenghong Refining & Chemical	July 4, 2020	4,150,000	November 13, 2020	3,670,554.84	Joint liability guarantee	November 12, 2038	No	No
Guowang (Suqian)	July 17, 2021	275,000	August 23, 2021	216,040	Joint liability guarantee	March 1, 2031	No	No
Reborn Technology	December 16, 2021	250,000	December 21, 2021	63,605	Joint liability guarantee	December 20, 2031	No	No

Reborn Technology	December 16, 2021		January 20, 2022	61,864.74	Joint liability guarantee	January 20, 2032	No	No
Hongjing New Materials	January 13, 2023	840,000	March 24, 2023	812,375	Joint liability guarantee	March 23, 2041	No	No
Hongwei Chemical	January 13, 2023	400,000	February 6, 2023	242,604.24	Joint liability guarantee	March 23, 2037	No	No
Zhonglu Technology	February 29, 2024	[Remark]	October 31, 2024	15,000	Joint liability guarantee	October 30, 2030	No	No
Rongtai Chemical Warehousing	February 29, 2024		October 29, 2024	5,000	Joint liability guarantee	October 28, 2032		
Shenghong (Shanghai) New Material	February 29, 2024		October 31, 2024	262.76	Joint liability guarantee	September 21, 2037	No	No
Guowang High-Tech	February 29, 2024		January 1, 2024	94,700	Joint liability guarantee	November 30, 2028	No	No
Guowang High-Tech	February 29, 2024		January 1, 2024	3,902.59	Joint liability guarantee	November 30, 2028	No	No
Guowang High-Tech	February 29, 2024		July 24, 2023	30,000	Joint liability guarantee	April 23, 2028	No	No
Guowang High-Tech	February 29, 2024		February 6, 2024	20,000	Joint liability guarantee	May 6, 2028	No	No
Guowang High-Tech	February 29, 2024		March 26, 2024	112,952.08	Joint liability guarantee	March 21, 2034	No	No
Guowang High-Tech	February 29, 2024		February 29, 2024	50,000	Joint liability guarantee	February 28, 2030	No	No
Guowang High-Tech	February 29, 2024		February 8, 2024	39,999.67	Joint liability guarantee	February 8, 2029	No	No
Guowang High-Tech	February 29, 2024		November 9, 2023	9,900	Joint liability guarantee	April 11, 2028	No	No
Guowang High-Tech	February 29, 2024		March 11, 2024		Joint liability guarantee	March 10, 2025	No	No

Guowang High-Tech	February 29, 2024		May 12, 2022	25,000	Joint liability guarantee	May 16, 2029	No	No
Guowang High-Tech	February 29, 2024		August 19, 2024	23,000	Joint liability guarantee	November 5, 2028	No	No
Guowang High-Tech	February 29, 2024		September 26, 2023	736.9	Joint liability guarantee	January 23, 2028	No	No
Guowang High-Tech	February 29, 2024		September 18, 2024	28,284.39	Joint liability guarantee	December 9, 2028	No	No
Guowang High-Tech	February 29, 2024		November 27, 2024	60,000	Joint liability guarantee	November 20, 2029	No	No
Guowang High-Tech	February 29, 2024		March 25, 2024	4,148.6	Joint liability guarantee	May 22, 2028	No	No
Guowang High-Tech	February 29, 2024		November 29, 2024	39,816.97	Joint liability guarantee	November 28, 2028	No	No
Guowang High-Tech	February 29, 2024		April 9, 2024	1,400	Joint liability guarantee	April 7, 2028	No	No
Guowang High-Tech	February 29, 2024		April 22, 2024	15,000	Joint liability guarantee	April 22, 2028	No	No
Guowang High-Tech	February 29, 2024		December 6, 2024	15,000	Joint liability guarantee	December 4, 2028	No	No
Guowang High-Tech	February 29, 2024		December 17, 2024	10,000	Joint liability guarantee	December 17, 2028	No	No
Reborn Technology	February 29, 2024		March 24, 2022	103,837.74	General liability guarantee	March 24, 2033	No	No
Reborn Technology	February 29, 2024		June 1, 2022	32,982.07	Joint liability guarantee	May 31, 2028	No	No
Guowang (Suqian)	February 29, 2024		December 7, 2022	13,332.47	Joint liability guarantee	Two years from the maturity date of main debt performance	No	No
Shenghong Refining & Chemical	February 29, 2024		June 30, 2022	344,000	Joint liability guarantee	June 29, 2036	No	No

Shenghong Refining & Chemical	February 29, 2024		August 28, 2024	350,000	Joint liability guarantee	August 23, 2029	No	No
Shenghong Refining & Chemical	February 29, 2024		September 26, 2023	149,031	Joint liability guarantee	September 25, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		July 25, 2024	150,000	Joint liability guarantee	July 25, 2029	No	No
Shenghong Refining & Chemical	February 29, 2024		August 28, 2024	100,000	Joint liability guarantee	August 28, 2029	No	No
Shenghong Refining & Chemical	February 29, 2024		October 28, 2024	140,000	Joint liability guarantee	October 31, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		September 29, 2024	47,500.00	Joint liability guarantee	September 30, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		December 26, 2024		Joint liability guarantee	December 31, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		November 01, 2024	146,211.77	Joint liability guarantee	October 20, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		July 19, 2024	123,220.68	Joint liability guarantee	November 20, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		December 17, 2024	167,614.43	Joint liability guarantee	December 16, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		February 26, 2024	57,397.33	Joint liability guarantee	June 25, 2028	No	No
Shenghong	February 29,		February 26,	411,412.71	Joint liability guarantee	June 25, 2028	No	No

Refining & Chemical	2024		2024					
Shenghong Refining & Chemical	February 29, 2024		May 24, 2024	60,000	Joint liability guarantee	May 20, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		January 12, 2024	94,656.1	Joint liability guarantee	January 12, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		August 29, 2024	56,594.6	Joint liability guarantee	August 16, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		August 29, 2024	219,622.17	Joint liability guarantee	November 7, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		February 8, 2024	30,000	Joint liability guarantee	July 9, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		June 5, 2024	155,000	Joint liability guarantee	June 4, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		December 31, 2024	49,998.65	Joint liability guarantee	December 31, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		May 22, 2024	90,012.66	Joint liability guarantee	May 22, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		December 4, 2024	70,000	Joint liability guarantee	December 4, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		September 15, 2023	92,565.28	Joint liability guarantee	September 15, 2031	No	No
Shenghong Refining & Chemical	February 29, 2024		March 14, 2024	57,507.2	Joint liability guarantee	March 14, 2028	No	No

Chemical								
Shenghong Refining & Chemical	February 29, 2024		November 21, 2024	9,999.28	Joint liability guarantee	September 30, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		December 1, 2024	215,671.97	Joint liability guarantee	November 29, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		October 28, 2024	4,940	Joint liability guarantee	March 20, 2025	No	No
Shenghong Refining & Chemical	February 29, 2024		November 29, 2024	33,210.41	Joint liability guarantee	December 31, 2027	No	No
Shenghong Refining & Chemical	February 29, 2024		December 20, 2024	50,000	Joint liability guarantee	December 19, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		February 21, 2023		Joint liability guarantee	February 21, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		May 21, 2024		Joint liability guarantee	No maturity date	No	No
Petrochemical (Singapore)	February 29, 2024		July 19, 2024	50,000	Joint liability guarantee	January 17, 2028	No	No
Petrochemical (Singapore)	February 29, 2024		December 11, 2024	152,000	Joint liability guarantee	June 10, 2028	No	No
Petrochemical (Singapore)	February 29, 2024		December 11, 2024	108,500	Joint liability guarantee	March 11, 2028	No	No
Petrochemical (Singapore)	February 29, 2024		October 20, 2023		Joint liability guarantee	December 31, 2027	No	No
Petrochemical (Singapore)	February 29, 2024		September 11, 2023	150,000	Joint liability guarantee	September 11, 2027	No	No
Petrochemical	February 29,		July 19,	155,165.46	Joint liability guarantee	December 31, 2024	No	No

(Singapore)	2024		2023					
Sierbang Petrochemical	February 29, 2024		February 18, 2024	20,000	Joint liability guarantee	September 22, 2027	No	No
Sierbang Petrochemical	February 29, 2024		November 26, 2024	30,000	Joint liability guarantee	August 23, 2029	No	No
Sierbang Petrochemical	February 29, 2024		June 28, 2023	35,000	Joint liability guarantee	June 28, 2028	No	No
Sierbang Petrochemical	February 29, 2024		August 17, 2023	25,000	Joint liability guarantee	August 22, 2028	No	No
Sierbang Petrochemical	February 29, 2024		December 16, 2024	20,000	Joint liability guarantee	December 17, 2029	No	No
Sierbang Petrochemical	February 29, 2024		March 8, 2024	60,000	Joint liability guarantee	November 10, 2028	No	No
Sierbang Petrochemical	February 29, 2024		January 02, 2024	10,000	Joint liability guarantee	December 15, 2027	No	No
Sierbang Petrochemical	February 29, 2024		November 29, 2024		Joint liability guarantee	September 29, 2028	No	No
Sierbang Petrochemical	February 29, 2024		July 19, 2024	31,000	Joint liability guarantee	July 17, 2028	No	No
Sierbang Petrochemical	February 29, 2024		December 06, 2023	62,522.47	Joint liability guarantee	December 31, 2027	No	No
Sierbang Petrochemical	February 29, 2024		November 28, 2024	6,477.53	Joint liability guarantee	December 31, 2028	No	No
Sierbang Petrochemical	February 29, 2024		January 29, 2023	10,416.67	Joint liability guarantee	January 15, 2029	No	No
Sierbang Petrochemical	February 29, 2024		January 29, 2023	12,500	Joint liability guarantee	January 15, 2029	No	No
Sierbang Petrochemical	February 29, 2024		February 07, 2024	13,500	Joint liability guarantee	February 15, 2030	No	No
Sierbang Petrochemical	February 29, 2024		February 7, 2024	20,250	Joint liability guarantee	February 15, 2030	No	No
Sierbang	February 29,		April 15,	43,000	Joint liability guarantee	April 14, 2028	No	No

Petrochemical	2024		2024					
Sierbang Petrochemical	February 29, 2024		April 25, 2023	5,000	Joint liability guarantee	April 24, 2027	No	No
Sierbang Petrochemical	February 29, 2024		August 29, 2024	24,898.14	Joint liability guarantee	October 15, 2028	No	No
Sierbang Petrochemical	February 29, 2024		August 29, 2024	24,950.42	Joint liability guarantee	November 8, 2028	No	No
Sierbang Petrochemical	February 29, 2024		June 25, 2023	27,000	Joint liability guarantee	June 25, 2031	No	No
Sierbang Petrochemical	February 29, 2024		March 28, 2024	5,000	Joint liability guarantee	March 28, 2028	No	No
Sierbang Petrochemical	February 29, 2024		March 28, 2024	30,000	Joint liability guarantee	December 31, 2027	No	No
Sierbang Petrochemical	February 29, 2024		April 28, 2024	25,000	Joint liability guarantee	April 28, 2027	No	No
Sierbang Petrochemical	February 29, 2024		December 17, 2024	54,829.14	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 guarantees for subsidiaries during the reporting period (B2)	5,088,652.58			
Total amount of guarantees for subsidiaries approved at the end of the reporting period (B3)		[Remark]		Total actual balance of guarantees for subsidiaries at the end of the reporting period (B4)	10,748,620.57			
Guarantees by subsidiaries to the Company and subsidiaries								
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
Ganghong	February 29,	[Remark]	January 30,	13,600	Joint liability guarantee	December 25, 2028	No	No

Fiber	2024		2018					
Ganghong Fiber	February 29, 2024		June 28, 2021	41,404	Joint liability guarantee	July 6, 2031	No	No
Ganghong Fiber	February 29, 2024		December 24, 2024	20,000	Joint liability guarantee	December 23, 2028	No	No
Ganghong Fiber	February 29, 2024		November 9, 2023	5,000	Joint liability guarantee	March 26, 2028	No	No
Ganghong Fiber	February 29, 2024		October 17, 2024	30,000	Joint liability guarantee	April 29, 2028	No	No
Ganghong Fiber	February 29, 2024		December 20, 2023	22,000	Joint liability guarantee	January 14, 2029	No	No
Ganghong Fiber	February 29, 2024		December 10, 2024	1,000	Joint liability guarantee	June 11, 2029	No	No
Ganghong Fiber	February 29, 2024		December 10, 2024	20,000	Joint liability guarantee	December 13, 2028	No	No
Shenghong Fibre	February 29, 2024		December 20, 2023	16,649.83	Joint liability guarantee	December 5, 2028	No	No
Shenghong Fibre	February 29, 2024		November 08, 2024	11,980.71	Joint liability guarantee	June 26, 2028	No	No
Shenghong Fibre	February 29, 2024		January 23, 2024	17,300	Joint liability guarantee	June 27, 2028	No	No
Shenghong Fibre	February 29, 2024		January 23, 2024	387.56	Joint liability guarantee	June 27, 2028	No	No
Shenghong Fibre	February 29, 2024		February 2, 2024	31,560	Joint liability guarantee	January 10, 2029	No	No
Shenghong Fibre	February 29, 2024		September 27, 2024		Joint liability guarantee	September 26, 2025	No	No
Zhonglu Technology	February 29, 2024		November 8, 2024	10,355.42	Joint liability guarantee	May 28, 2029	No	No
Zhonglu Technology	February 29, 2024		December 20, 2023	10,616	Joint liability guarantee	February 12, 2028	No	No
Zhonglu	February 29,		December	20,000	Joint liability guarantee	December 30, 2028	No	No

Technology	2024		25, 2024					
Zhonglu Technology	February 29, 2024		July 23, 2024	10,000	Joint liability guarantee	October 22, 2028	No	No
Suzhen Bioengineering	February 29, 2024		November 09, 2023	5,000	Joint liability guarantee	March 18, 2028	No	No
Reborn Technology	February 29, 2024		May 22, 2024	9,999.69	Joint liability guarantee	December 9, 2025	No	No
Petrochemical Industry Group	February 29, 2024		September 8, 2024	18,000	Joint liability guarantee	December 8, 2028	No	No
Shenghong Refining & Chemical	February 29, 2024		September 22, 2023	3,670,554.84	Joint liability guarantee, pledge	November 12, 2038	No	No
Petrochemical (Singapore)	February 29, 2024		April 15, 2023		Joint liability guarantee	April 15, 2025	No	No
Petrochemical (Singapore)	February 29, 2024		February 5, 2024	70,000	Joint liability guarantee	July 9, 2028	No	No
The Company	February 29, 2024		January 1, 2022	95,400	Joint liability guarantee	December 28, 2029	No	No
The Company	February 29, 2024		February 28, 2022	12,600	Joint liability guarantee	December 28, 2029	No	No
The Company	February 29, 2024		March 29, 2022	12,000	Joint liability guarantee	December 28, 2029	No	No
The Company	February 29, 2024		April 15, 2022	48,000	Joint liability guarantee	December 28, 2029	No	No
The Company	February 29, 2024		December 8, 2023	96,000	Joint liability guarantee, pledge	December 1, 2028	No	No
The Company	February 29, 2024		December 8, 2023	39,520	Joint liability guarantee, pledge	December 1, 2028	No	No
Total amount of guarantees for subsidiaries approved during the reporting period (C1)		[Remark]		Total actual amount of guarantees for subsidiaries during the reporting period (C2)		511,021.64		

Total amount of guarantees for subsidiaries approved at the end of the reporting period (C3)	[Remark]	Total actual balance of guarantees for subsidiaries at the end of the reporting period (C4)	4,358,928.05
The 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)	11,810,000	Total actual amount of guarantees during the reporting period (A2+B2+C2)	5,599,674.22
Total approved amount of guarantees at the end of the reporting period (A3+B3+C3)	18,075,000	Total actual balance of guarantee at the end of the reporting period (A4+B4+C4)	15,107,548.62
Ratio of the total actual guarantee amount (i.e. A4+B4+C4) to the Company's net assets			443.90%
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)			12,977,437.52
Excess of total guarantees over 50% of net assets (F)			13,405,856.87
Total of the above three guarantees (D+E+F)			26,383,294.39

Remark: The Company held the 13th Meeting of the 9th Board of Directors on February 28, 2024, at which the Proposal on Estimated Mutual Guarantee Limit for 2024 was deliberated and unanimously approved. It is estimated that the mutual guarantee limit between the Company and its subsidiaries in 2024 will not exceed the equivalent of RMB 118.1 billion, and the guarantee limit will be valid from the date of review and approval at the 2nd extraordinary general meeting of the Company in 2024 to the date of convening the 2024 annual general meeting of the Company. After the approval of this guarantee, the total amount of guarantees provided by the Company and its subsidiaries will not exceed the equivalent of RMB180.75 billion. This proposal was deliberated and adopted at the second extraordinary general meeting of the Company for 2024 on March 21, 2024.

3. Entrusted cash asset management**(1) Entrusted wealth management**

☒Applicable ☐Not applicable

Entrusted wealth management during the reporting period

Unit: RMB '0,000

Type	Source of funds	Amount	Outstanding balance	Amount overdue and not recovered	Provision for impairment accrued for the wealth management overdue and not recovered
Bank financial products	Self-owned funds	7,240.00	0.00	0.00	0.00
Total		7,240.00	0.00	0.00	0.00

Specific circumstances of high-risk entrusted wealth management with significant individual amount or low security and poor liquidity

☐Applicable ☒Not applicable

Entrusted financial management is expected to be unable to recover the principal or there are other circumstances that may lead to impairment

☐Applicable ☒Not applicable

(2) Entrusted loans

☐Applicable ☒Not applicable

The Company had no entrusted loan in the reporting period.

4. Other major contracts

☒Applicable ☐Not applicable

Name of the company concluding the contract	Name of the other party to the contract	Contract object	Date of signing	Book value of the assets involved in the contract (RMB'0,000)	Pricing principle	Transaction price (RMB'0,000)	Related transactions or not	Relationship
Jiangsu Shenghong Petrochemical Industry Group Co., Ltd.	Xuzhou Hootech New Materials Science&Technology Co.,Ltd.	Spent catalyst assets	December 16, 2024	198,558.25	Three modes adopted: quotation order, limit order and immediate order.	/	No	No
Implementation at the end of the reporting period			Advances to suppliers received					
Date of disclosure			December 14, 2024					
Disclosure index			CNINFO: Announcement on the Sale of Spent Catalyst Assets containing Precious Metals by Subsidiaries (Announcement No.:					

2024-077)

XVI. Explanation of other important matters☒Applicable ☐Not applicable**1. Issuance and duration of GDR**

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 holds a total of 8,310,000 equity of GDRs through overseas securities investment products of the Qualified Domestic Institutional Investor (QDII), and income swap contract. Shenghong New Material holds a total of 19,390,000 equity of 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.

As at December 31, 2023, the number of the Company's A shares held by the depositary of GDRs, Citibank, National Association, as the nominal holder, was 277,000,000, accounting for 69.61% of underlying A shares corresponding to the GDRs actually issued by the Company 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 GDR	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 Shareholders and Their Persons Acting in Concert (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)

XVII. Significant matters of the Company's subsidiaries☒Applicable ☐Not applicable

Guowang High-Tech, a subsidiary of the Company, increased its capital and expanded its shares, and introduced Agricultural Bank of China Financial Asset Investment Co., Ltd. and BOC Financial Assets Investment Co., Ltd. Agricultural Bank of China Financial Asset Investment Co., Ltd. increased its capital by RMB 1 billion in cash and BOC Financial Assets Investment Co., Ltd. increased its capital by RMB 500 million in cash to Guowang High-Tech. The above transactions were deliberated and approved at the 22nd meeting of the Ninth Board of Directors held on November 11, 2024. For details, please refer to the Announcement on Capital Increase and Share Expansion of the Subsidiary Jiangsu Guowang High-Tech Fiber Co., Ltd. (Announcement No.: 2024-071) disclosed by the Company on November 12, 2024. As of December 31, 2024, Guowang High-Tech and Sierbang Petrochemical had made capital increase and share expansion amounting to RMB 4.8 billion. As of the disclosure date of the 2024 annual report, the relevant industrial and commercial registration procedures for changes have been completed.

Section VII 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%						1,114,202,898	16.85%
1. State-owned shares									
2. State-owned legal person's shares									
3. Shares held by other domestic capital	1,114,202,898	16.85%						1,114,202,898	16.85%
Including: shares held by domestic legal person	1,111,528,326	16.81%						1,111,528,326	16.81%
Shares held by domestic natural person	2,674,572	0.04%						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	5,497,010,780	83.15%				8,029	8,029	5,497,018,809	83.15%
1. RMB common shares	5,497,010,780	83.15%				8,029	8,029	5,497,018,809	83.15%
2. Foreign shares listed									

	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
domestically									
3. Foreign shares listed overseas									
4. Others									
III. Total number of shares	6,611,213,678	100.00%				8,029	8,029	6,611,221,707	100.00%

Reasons for changes in shares

☒Applicable ☐Not applicable

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 tenor of 6 years. "Shenghong Convertible Bond" can be converted into shares of the Company from Monday, September 27, 2021. During the reporting period, due to the conversion of some "Shenghong Convertible Bond" into ordinary A shares of the Company, the total share capital of the Company increased by 8,029 shares.

Approval status of shareholding changes

☐Applicable ☒Not applicable

Transfer status of share changes

☐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 ordinary 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 8,029 in 2024. The basic earnings per fully diluted share in 2024 was RMB -0.35 per share, and the net asset attributable to shareholders of the Listed Company was RMB 5.15 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 increased in the current period	Number of restricted shares lifted 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	0	0	1,052,404,479	Non-public issuance of additional shares in issuing shares and paying cash to purchase assets and raising supporting funds in January 2022	Shares were listed and circulated on January 27, 2025
Lianyungang Bohong Industrial Co., Ltd.	59,123,847	0	0	59,123,847	Non-public issuance of additional shares in issuing shares and paying cash to purchase assets and raising supporting funds in January 2022	
Ji Gaoxiong	802,500	0	0	802,500	Shares locked for the senior executive	Release of restricted sale by installments in accordance with relevant regulations
Ni Genyuan	734,997	0	0	734,997	Shares locked for the senior executive	Release of restricted sale by installments in accordance with relevant regulations
Qiu Hairong	554,625	0	0	554,625	Shares locked for the senior executive	Release of restricted sale by installments in accordance with relevant regulations
Wang Jun	582,450	0	0	582,450	Shares locked for the senior executive	Release of restricted sale by installments in accordance with relevant regulations
Total	1,114,202,898	0	0	1,114,202,898	--	--

II. Securities issuance and listing**1. Issuance of securities (excluding preferred shares) during the reporting period**□Applicable ☒Not applicable**2. Explanation of changes in the total number of shares and shareholder structure of the Company, and changes in the structure of the Company's assets and liabilities**☒Applicable □Not applicable

During the reporting period, the Company's shares were increased by the conversion of the Company's convertible bonds ("Shenghong Convertible Bond" under the bond code "127030") into shares.

3. Existing internal employee shares□Applicable ☒Not applicable**III. Shareholders and actual controller****1. Number of shareholders of the Company and their shareholdings**

Unit: share

Total number of ordinary shareholders as at the end of the reporting period	95,626	Total of common shareholders at the end of the previous month before the annual report disclosure date	85,785	Total number of preferred shareholders whose voting rights have been restored at the end of the reporting period	0	Total of preferred shareholders holding resumed voting rights at the end of the previous month before the annual report disclosure date	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	Increase/decrease in the reporting period	Number of shares with restricted conditions	Number of shares subject to no restrictions	Pledge, mark or freezing
Jiangsu Shenghong Technology Co., Ltd.	Domestic non-state-owned legal person	42.19%	2,789,545,478	21,319,938	0	2,789,545,478	0
Shenghong Petrochemical Group Co., Ltd.	Domestic non-state-owned legal person	16.26%	1,075,206,893	22,802,414	1,052,404,479	22,802,414	0
Shenghong (Suzhou) Group Co., Ltd.	Domestic non-state-owned legal person	5.39%	356,361,374	21,539,946	0	356,361,374	0
Citibank, National Association	Overseas legal person	4.19%	277,000,000	0	0	277,000,000	0
Jiangsu Wujiang Silk Group Co., Ltd.	State-owned legal person	1.86%	122,662,170	0	0	122,662,170	0
Shaanxi International Trust Co., Ltd. - SITI · Eastern Shenghong Phase II Employee Shareholding	Others	1.25%	82,522,600	0	0	82,522,600	0

Collective Fund Trust Plan							
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	1.23%	81,275,375	-8,534,400	0	81,275,375	0
Suzhou Wujiang Dongfang State-owned Capital Investment Management Co., Ltd.	State-owned legal person	1.02%	67,719,400	-28,877,400	0	67,719,400	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	0
Xuan Yuan Private Fund Investment Management (Guangdong) Co., Ltd. - Xuan Yuan Bao No.19 Private Securities Investment Fund	Others	0.96%	63,756,084	0	0	63,756,084	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 presence of repurchase accounts among the top 10 shareholders		N/A					
Shareholdings of the top 10 ordinary 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.			2,789,545,478	RMB ordinary shares		2,789,545,478	
Shenghong (Suzhou) Group Co., Ltd.			356,361,374	RMB ordinary shares		356,361,374	
Citibank, National Association			277,000,000	RMB ordinary shares		277,000,000	
Jiangsu Wujiang Silk Group Co., Ltd.			122,662,170	RMB ordinary shares		122,662,170	
Shaanxi International Trust Co., Ltd. - SITI · Eastern Shenghong Phase II Employee Shareholding Collective			82,522,600	RMB ordinary shares		82,522,600	

Fund Trust Plan			
Hong Kong Securities Clearing Company Ltd.	81,275,375	RMB ordinary shares	81,275,375
Suzhou Wujiang Dongfang State-owned Capital Investment Management Co., Ltd.	67,719,400	RMB ordinary shares	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 ordinary shares	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 ordinary shares	63,756,084
Shaanxi International Trust Co., Ltd. - SITI Eastern Shenghong Phase III Employee Stock Ownership Collective Capital Trust Plan	58,935,155	RMB ordinary shares	58,935,155
Explanation on the associated relationship or concerted action among the top 10 holders of shares not subject to sales restrictions, and between the top 10 holders of shares not subject to sales restrictions and the top 10 holders of shares	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 participation of the top 10 shareholders of ordinary shares in the margin financing and securities lending business	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 shareholders of ordinary shares and top 10 shareholders of ordinary shares not subject to sales restrictions conducted agreed repurchase transactions during the reporting period

☐Yes ☒No

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

2. Information about the controlling shareholder of the Company

Nature of controlling shareholder: natural person holding

Type of controlling shareholder: legal person

Name of controlling shareholder	Legal representative/person in charge of entity	Date of establishment	Organization code	Main operating business
Jiangsu Shenghong Technology Co., Ltd.	Miao Han'gen	December 31, 2002	91320000744810452Y	Research and development of printing and dyeing technologies; wholesale, commission agency (except auction) and import and export business of machinery and equipment; industrial investment; equity investment; business management consulting; sale of textile raw materials and textile. (Operating

Name of controlling shareholder	Legal representative/person in charge of entity	Date of establishment	Organization code	Main operating business
				<p>activities subject to approval according to law shall be carried out only after obtaining the approval of relevant departments)</p> <p>Licensed items: operation of hazardous chemicals (Operating activities subject to approval according to law shall be carried out only after obtaining the approval of relevant departments and specific business items are subject to the approval)</p> <p>General items: sales of petroleum products (excluding hazardous chemicals); sales of lubricants; sales of special chemical products (excluding hazardous chemicals); sales of plastic products; sales of chemical products (excluding chemical products subject to licensing); wholesale of refined oil (excluding hazardous chemicals); sales of rubber products; sales of synthetic materials; sales of metal materials; sales of metal products; sales of building materials; sales of coal and products (except for the items that need to be approved according to law, it shall independently carry out business activities according to law with its business license)</p>
Equities of other domestic and overseas listed companies held by the controlling shareholder during the reporting period			None	

Changes in the controlling shareholder during the reporting period

☐Applicable ☒Not applicable

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

3. The actual controller and the persons acting in concert

Nature of the actual controller: domestic natural person

Type of actual controller: natural person

Name of the actual controller	Relationship with the actual controller	Nationality	Whether to obtain the right of abode in other countries or regions
Miao Han'gen	Per se	China	No

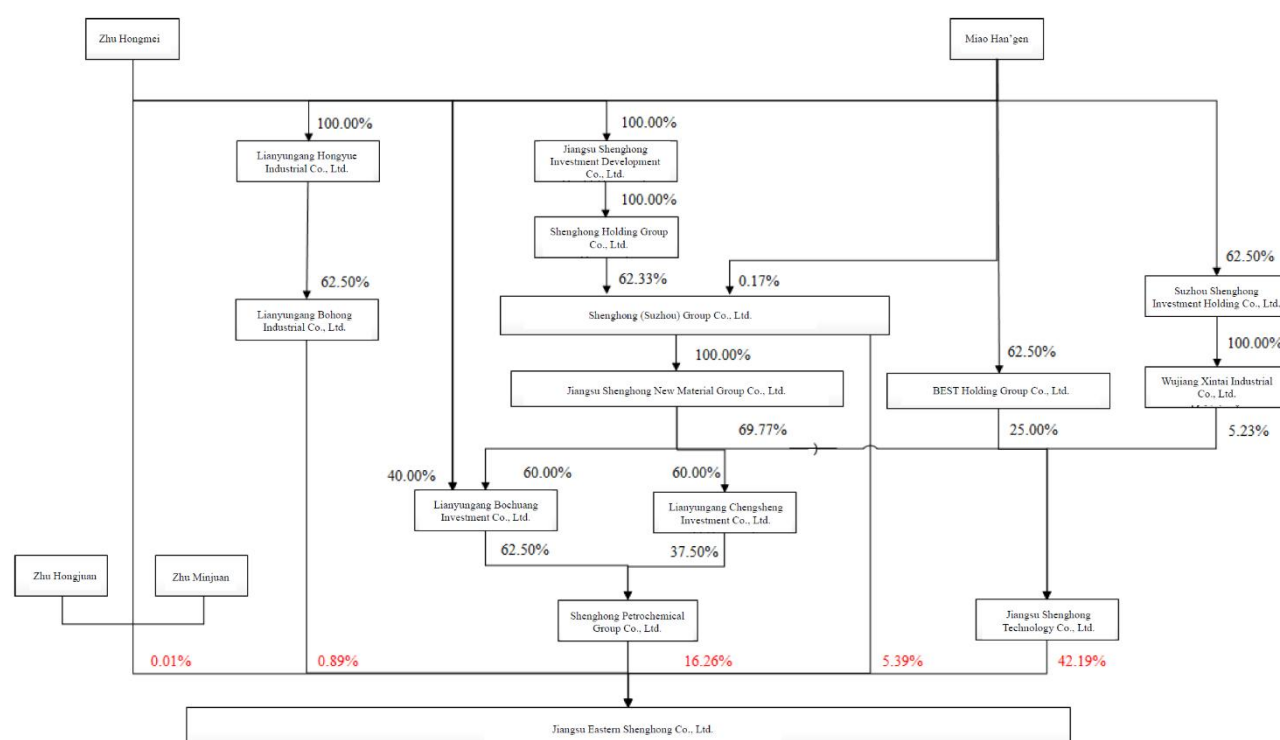
Zhu Hongmei	Per se	China	No
Main occupation and position	Mr. Miao Han'gen is the chairman and general manager of the Listed Company; Ms. Zhu Hongmei does not hold any position in the Listed Company.		
Domestic and foreign listed companies in which he had controlling interest in the past 10 years	None		

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.

Chart for the property and controlling relationships between the Company and the actual controller



Remark: The above shareholding ratio represents the direct shareholding ratio of Shenghong Technology.

The actual controller controls the Company through trust or other asset management

☐Applicable ☒Not applicable

Information on the increase in shareholdings by the controlling shareholder and persons acting in concert

On November 14, 2024, the Company disclosed the Announcement on the Plan of the Controlling Shareholder and the Persons Acting in Concert for Increasing Their Shareholdings in the Company with Their Self-owned Funds and Special Loans (Announcement No.: 2024-073). During the reporting period, the controlling shareholder of the Company, Jiangsu Shenghong Technology Co., Ltd., and its persons acting in concert, Shenghong Petrochemical Group Co., Ltd. and Shenghong (Suzhou) Group Co., Ltd. increased their holdings of the Company's shares by a total of 65,662,298 shares, accounting for 0.99% of the total share capital of the Company. As at the end of the reporting period, the current increase in shareholdings by the controlling shareholder and its persons acting in concerts had not been completed.

4. The number of shares pledged by the controlling shareholder or the largest shareholder of the Company and its persons acting in concert accounted for 80% of the number of the Company's shares held by them in aggregate

☐Applicable ☒Not applicable

5. Other legal person shareholders holding more than 10% of shares☒Applicable ☐Not applicable

Legal person shareholder's name	Legal representative/person in charge of entity	Date of establishment	Registered capital	Main operating business or management activity
Shenghong Petrochemical Group Co., Ltd.	Miao Han'gen	April 27, 2013	RMB 5.5 billion	R&D of petrochemical products, coal chemical products, basic chemical raw materials, fine chemicals, and new chemical materials; sales of chemical products (excluding hazardous chemicals); industrial investment; self-management and agency of import and export business of various commodities and technologies, except for those commodities and technologies that are restricted for operation or prohibited from being imported or exported by the state; and operation of hazardous chemicals (operation of the items approved by Hazardous Chemicals Operation License). (Operating activities subject to approval according to law shall be carried out only after obtaining the approval of relevant departments)

6. Restrictions on shareholding reduction by the controlling shareholder, actual controllers, restructuring parties and other committed entities☐Applicable ☒Not applicable**IV. Specific implementation of share repurchase in the reporting period**

Implementation progress of share repurchases

☐Applicable ☒Not applicable

Progress in the reduction of repurchased shares by centralized bidding transactions

☐Applicable ☒Not applicable

Section VIII Related Information of Preferred Shares

☐Applicable ☒Not applicable

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

Section IX 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. Successive adjustments of the conversion price

As approved by the China Securities Regulatory Commission regarding the Approval of the Public Offering of Convertible Bonds by Jiangsu Eastern Shenghong Co., Ltd. (ZJXX [2021] No.512), the Company publicly issued 50 million convertible bonds with the face value of RMB 100 each 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.

According to the resolution of the Company's 2020 Annual General Meeting, the Company implemented 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.

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 RMB ordinary shares 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.

According to the resolution of the Company's 2021 annual general meeting, the Company implemented the 2021 dividend distribution program in May 2022. After the implementation of this equity distribution, the conversion price of "Shenghong Convertible Bond" was adjusted from RMB13.53/share to RMB13.38/share, and the effective date of the conversion price adjustment was May 27, 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 (ZJXX [2021] No. 4179) issued by the CSRC, the Company issued 266,714,109 RMB ordinary shares 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.

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.

According to the resolution of the 2022 annual general meeting of the Company, the Company implemented the 2022 annual dividend distribution program in May 2023. After the implementation of this dividend distribution,

the conversion price of "Shenghong Convertible Bonds" was adjusted from RMB13.41/share to RMB13.31/share, and the effective date of the adjustment of the conversion price was May 22, 2023.

According to the resolution of the Company's 2023 Annual General Meeting, the Company implemented 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.

The Announcement on Adjusting the Conversion Price of Convertible Bonds (Announcement No.2021-075, 2022-020, 2022-084, 2022-099, 2022-155, 2023-059 and 2024-047) was published on June 10, 2021, January 24, 2022, May 20, 2022, July 15, 2022, December 28, 2022, May 16, 2023 and May 31, 2024, respectively, on the Company's designated information disclosure media such as CNINFO.

2. Cumulative conversion status

☒Applicable ☐Not applicable

Abbreviation	Commencement and ending date of 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 transferred to the total issued shares of the Company before the commencement date of equity transfer	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	2,425,800.00	175,406	0.00%	4,997,574,200.00	99.95%

3. Information of the top ten convertible bond holders

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-owned legal person	3,462,389	346,238,900.00	6.93%
3	China Merchants Bank Co., Ltd. - Bosera CSI Convertible Bond & Exchangeable Bond Index ETF	Others	2,182,059	218,205,900.00	4.37%
4	ICBC Ruixin Tianfeng Fixed Income Pension Product - Bank of China Limited	Others	1,083,700	108,370,000.00	2.17%
5	Bank of China Limited – E-Fund Stable Return Bond Securities Investment Fund	Others	703,160	70,316,000.00	1.41%
6	Zhong Baoshen	Domestic natural person	592,679	59,267,900.00	1.19%
7	Dajia Life Insurance Company, Ltd. -	Others	592,487	59,248,700.00	1.19%

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
	Traditional Product				
8	E-Fund Stable Return Fixed-income Pension Product - Bank of Communications Co., Ltd.	Others	497,383	49,738,300.00	1.00%
9	E-Fund Stable Allocation Hybrid Pension Product - Industrial and Commercial Bank of China Limited	Others	411,339	41,133,900.00	0.82%
10	Shanghai Pudong Development Bank Co., Ltd. - Efunds Yuxiang Return Bond Securities Investment Fund	Others	403,820	40,382,000.00	0.81%

4. Significant changes in the guarantor's profitability, asset status and credit status

☐Applicable ☒Not applicable

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

In June 2024, China Lianhe Credit Rating Co., Ltd. issued the LH [2024] No.4814 Credit Rating Announcement, which, through tracking analysis and evaluation of the credit status of the Company and its related bonds, determines that the long-term credit rating of the Company was AA+; the credit rating of "Shenghong Convertible Bond" was AA+ and the rating outlook was stable.

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. Overdue interest-bearing debts other than bonds at the end of the reporting period

☐Applicable ☒Not applicable

VII. Whether there was any violation of rules and regulations during the reporting period

☐Yes ☒No

VIII. Major accounting data and financial indicators of the Company for the past two years as of the end of the reporting period

Unit: RMB '0,000

Item	As of December 31, 2024	As of December 31, 2023	YoY increase or decrease
Current ratio	40.09%	39.95%	0.35%
Asset-liability ratio	81.66%	81.34%	0.33%
Quick ratio	21.77%	17.76%	22.58%
EBITDA	852,196.91	877,224.49	-2.85%
	Year 2024	Year 2023	YoY increase or decrease
Net profits after deducting non-recurring profit or loss	-265,383.20	21,709.35	-1,322.44%

EBITDA all debt ratio	5.87%	6.71%	-0.84%
Interest coverage multiple	0.2392	0.7718	-69.01%
Cash interest coverage multiple	3.2150	2.9043	10.70%
EBITDA interest coverage multiple	1.5895	1.7366	-8.47%
Loan repayment ratio	100.00%	100.00%	0.00%
Interest repayment ratio	100.00%	100.00%	0.00%

Section X Financial reports

I. Auditor's Report

Audit opinion type	Standard unqualified opinion
Signing date of auditor's report	April 27, 2025
Name of auditor	BDO CHINA Shu Lun Pan Certified Public Accountants LLP
Audit report document No.	Xin Kuai Shi Bao Zi [2025] No.ZA11536
Name of the certified public accountant	Zhu Ying, Tang Yi

Auditor's Report

(I) Opinion

We have audited the accompanying financial statements of Jiangsu Eastern Shenghong Co., Ltd. ("the Company"), which comprise the consolidated and company's balance sheets as at December 31, 2024, the consolidated and company's income statements, the consolidated and company's statements of cash flows, and the consolidated and company's statements of changes in owners' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position as at December 31, 2024 and the consolidated and company's financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

(II) Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(III) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters in our audit:

Key Audit Matters	How these matters were addressed in the audit
(I) Book value of fixed assets and construction in progress	
As stated in the Notes VII.13 and 14 to the financial statements, as at December 31, 2024, the book value of fixed assets and constructions in progress in the consolidated financial statements of the Company was RMB 152,325.2889 million, accounting for 74.56% of the Company's total assets. The following judgments made by Management of the Company ("Management") could affect the book value of fixed assets and constructions in progress and the depreciation policy for fixed assets, including: (1) determining the expenditures eligible for capitalization; (2) determining the time of transferring constructions in progress to fixed assets and accruing depreciation; and (3) estimating the useful life of the corresponding fixed assets. The determination of the book value of fixed assets	The audit procedures we performed on the book value of fixed assets and constructions in progress mainly included: (1) evaluating the design and operational effectiveness of key internal controls related to the completeness, existence and accuracy of fixed assets and constructions in progress, including the estimated useful life and salvage value; (2) checking capitalized expenditures against contracts, payment documents, approval processes and other relevant supporting documents to examine the capitalized expenditures incurred in the current year; (3) recalculating the interest capitalization rate and evaluating the calculation of capitalized interest on construction in progress based on the capitalized expenditures and interest rate of the loan contracts;

and constructions in progress involves significant accounting estimates by the Management and is material to the consolidated financial statements, so that recognition of book value of fixed assets and constructions in progress is determined as a key audit matter.	and (4) review the acceptance report or project supervision report to evaluate the accuracy of the time of transferring constructions in progress to fixed assets.
(II) Goodwill impairment	
As shown in Note VII.17 to the financial statements, the book value of goodwill in the consolidated financial statements of the Company as of December 31, 2024 was RMB 736.5612 million. According to the Accounting Standards for Business Enterprises, the Management is required to test goodwill impairment annually to determine whether an impairment loss needs to be recognized. The Management tests the goodwill impairment by comparing the recoverable amount of the relevant asset group to which the goodwill has been allocated with the book value of that asset group and goodwill. The recoverable amount of an asset group is determined as the higher of the present value of the estimated future cash flows of the asset group or the fair value of the asset less the disposal costs. We identified the goodwill impairment as a key audit matter due to the significant amount of goodwill and the significant judgment required from the Management.	<p>The audit procedures we performed on the testing and measurement of goodwill impairment include:</p> <ol style="list-style-type: none"> (1) evaluating the Management's determination of the asset group or combination of asset groups to which goodwill is allocated; (2) understanding the historical performance and development plans of each asset group or combination of asset groups, as well as the macroeconomic and the industry trends to which they belong; (3) evaluating the valuation method for goodwill impairment testing; (4) evaluating the appropriateness of key assumptions for goodwill impairment testing; (5) evaluating the reasonableness of the parameters cited for testing; and (6) evaluating the impact of goodwill impairment testing.
(III) Revenue recognition	
As shown in Note VII.46 to the financial statements, the Company's revenues of RMB 137,674.5572 million for 2024 in the consolidated financial statements were mainly the revenues generated from domestic sales. The Company recognizes revenue when the principal risks and rewards of control over the merchandise are transferred, and the specific revenue recognition policies for each major type of revenue are detailed in Note V.26. We identified revenue recognition as a key audit matter because the amount of revenue is significant and is one of the key performance indicators and there is a risk that management may manipulate revenue recognition to meet specific objectives or expectations.	<p>The audit procedures we performed on revenue recognition included:</p> <ol style="list-style-type: none"> (1) understanding and testing the design and implementation of the Company's internal control system and financial accounting system related to sales and revenue collection; (2) examining major sales contracts, identifying contractual terms and conditions related to the transfer of control of goods, and evaluating whether the revenue recognition policy complies with the Accounting Standards for Business Enterprises; (3) performing detail tests, examining external evidence such as contracts, invoices and revenue recognition documents on a sample basis, checking collection records and checking the authenticity and completeness of sales revenue; (4) implementing correspondence procedures with major customers to confirm the amount of sales and the balance of transactions for the current period; (5) performing cut-off tests on revenues recognized before and after the balance sheet date to confirm whether revenues are recorded in the correct accounting period; and (6) checking the adequacy and appropriateness of the presentation and disclosure of information related to revenue recognition in the financial statements.

(IV) Other Information

Management of the Company (“Management”) is responsible for the other information. The other information comprises all of the information included in the 2024 annual report of the Company, other than the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

(V) Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

(VI) Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understand of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
4. Conclude on the appropriateness of Management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation (including the disclosures), structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible

for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

As at December 31, 2024

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Current assets:		
Monetary funds	13,636,446,983.07	10,009,739,723.82
Balances with clearing companies		
Loans to banks and other financial institutions		
Financial assets held for trading	106,594,928.00	84,874,411.43
Derivative financial assets		
Notes receivable	97,777,618.59	307,173,337.74
Accounts receivable	2,327,702,449.86	1,479,324,780.27
Receivables financing	536,196,519.90	319,225,113.32
Advances to suppliers	525,281,644.21	876,561,675.19
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	1,009,344,676.64	717,755,781.89
Including: interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	16,873,219,225.01	18,208,194,467.86
Including: Data resource		
Contract assets		
Assets held for sale		

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Non-current assets maturing within one year		
Other current assets	1,813,789,331.40	785,720,099.56
Total current assets	36,926,353,376.68	32,788,569,391.08
Non-current assets:		
Loans and advances to customers		
Creditor's right investments		
Other creditor's right investments		
Long-term receivables		
Long-term equity investments	90,557,516.48	82,851,688.61
Other equity instrument investments	584,422,540.00	582,098,160.00
Other non-current financial assets		
Investment properties	625,773,856.85	664,441,821.84
Fixed assets	127,298,464,476.19	123,427,551,751.16
Construction in progress	25,026,824,465.78	18,239,996,647.89
Productive biological assets		
Oil and gas assets		
Right-of-use assets	3,083,272,607.18	1,434,510,942.63
Intangible assets	4,886,226,719.15	4,895,367,970.64
Including: data resources		
Development expenses		
Including: data resources		
Goodwill	736,561,153.10	692,058,513.24
Long-term deferred expenses	2,478,240.80	1,412,795.02
Deferred income tax assets	2,530,374,877.37	1,014,389,576.29
Other non-current assets	2,521,178,872.31	6,391,552,903.42
Total non-current assets	167,386,135,325.21	157,426,232,770.74
Total assets	204,312,488,701.89	190,214,802,161.82
Current liabilities:		
Short-term borrowings	52,682,163,867.62	41,697,704,548.37
Borrowings from central bank		
Loans from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		390,550,672.86
Accounts payable	14,250,773,680.27	15,950,655,293.64
Advances from customers	32,388,603.72	32,600,721.32
Contract liabilities	2,484,508,305.51	2,272,577,360.44
Funds from sales of financial assets under repurchase agreement		

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Absorption of deposits and interbank deposit		
Receivings from vicariously traded securities		
Receivings from vicariously sold securities		
Employee compensation payable	485,515,353.28	547,649,768.35
Taxes and surcharges payable	978,933,334.67	959,386,816.49
Other payables	301,204,531.41	961,911,125.99
Including: interest payable		
Dividends payable	830,990.60	40,000,000.00
Handling charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	20,569,157,000.24	18,973,532,209.62
Other current liabilities	314,452,670.54	291,632,121.40
Total current liabilities	92,099,097,347.26	82,078,200,638.48
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings	60,988,432,664.33	62,721,466,673.12
Bonds payable	4,569,453,956.81	4,367,874,125.48
Including: preferred stock		
Perpetual bonds		
Lease liabilities	2,880,053,850.90	1,372,014,804.91
Long-term payables	3,373,670,655.65	1,226,180,083.70
Long-term employee compensation payable		
Estimated liabilities	7,194,735.20	
Deferred income	2,400,104,976.66	2,427,897,284.22
Deferred income tax liabilities	507,991,628.99	509,757,384.74
Other non-current liabilities	14,345,006.56	19,230,096.19
Total non-current liabilities	74,741,247,475.10	72,644,420,452.36
Total liabilities	166,840,344,822.36	154,722,621,090.84
Owners' equity:		
Share capital	9,599,621,415.16	9,599,613,386.16
Other equity instruments	906,737,326.76	906,756,613.34
Including: preferred stock		
Perpetual bonds		
Capital reserves	19,278,754,730.78	17,742,094,557.74
Less: treasury stock		

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Other comprehensive income	89,166,875.13	75,609,098.36
Special reserves	86,108,201.09	95,610,435.57
Surplus reserves	629,926,949.95	609,412,557.95
General risk reserves		
Retained earnings	3,443,519,405.76	6,421,996,498.50
Total equity attributable to owners of the company	34,033,834,904.63	35,451,093,147.62
Minority equity	3,438,308,974.90	41,087,923.36
Total owners' equity	37,472,143,879.53	35,492,181,070.98
Total liabilities and owners' equity	204,312,488,701.89	190,214,802,161.82

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

2. Parent Company's Balance Sheet

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Current assets:		
Monetary funds	992,097,219.91	635,794,685.09
Financial assets held for trading	74,183,711.94	73,750,917.76
Derivative financial assets		
Notes receivable	500,000,000.00	
Accounts receivable	120,167,065.54	133,564,347.86
Receivables financing		
Advances to suppliers	507,361.39	8,299,679.40
Other receivables	1,478,957,507.14	2,694,026,900.58
Including: interest receivable		
Dividends receivable		
Inventories	23,785,498.57	21,380,447.55
Including: Data resource		
Contract assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	18,264,325.80	19,715,568.19
Total current assets	3,207,962,690.29	3,586,532,546.43
Non-current assets:		
Creditor's right investments		
Other creditor's right investments		
Long-term receivables		
Long-term equity investments	54,059,356,390.00	53,448,075,149.28
Other equity instrument investments	584,422,540.00	582,098,160.00
Other non-current financial assets		

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Investment properties	4,275,006.03	285,381,436.95
Fixed assets	311,254,674.38	346,579,501.45
Construction in progress	1,297,063.78	
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	66,016,065.28	70,263,326.92
Including: data resources		
Development expenses		
Including: data resources		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets	65,200.00	675,024.90
Total non-current assets	55,026,686,939.47	54,733,072,599.50
Total assets	58,234,649,629.76	58,319,605,145.93
Current liabilities:		
Short-term borrowings	2,691,348,412.88	2,978,156,689.45
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	200,000,000.00	107,000,000.00
Accounts payable	1,660,598,273.54	1,573,210,158.86
Advances from customers	31,330,490.24	32,600,721.32
Contract liabilities	2,732,687,056.77	2,981,030,622.15
Employee compensation payable	20,634,431.72	20,753,610.79
Taxes and surcharges payable	4,746,043.58	4,473,127.79
Other payables	3,592,415,461.07	598,973,676.00
Including: interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	1,694,367,856.44	2,683,202,167.73
Other current liabilities	354,159,682.43	386,527,659.18
Total current liabilities	12,982,287,708.67	11,365,928,433.27
Non-current liabilities:		
Long-term borrowings	1,856,400,000.00	2,640,000,000.00
Bonds payable	4,569,453,956.81	4,367,874,125.48
Including: preferred stock		
Perpetual bonds		
Lease liabilities		
Long-term payables		

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Long-term employee compensation payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	279,912,628.16	97,646,462.02
Other non-current liabilities	14,345,006.56	19,230,096.19
Total non-current liabilities	6,720,111,591.53	7,124,750,683.69
Total liabilities	19,702,399,300.20	18,490,679,116.96
Owners' equity:		
Share capital	6,611,221,707.00	6,611,213,678.00
Other equity instruments	906,737,326.76	906,756,613.34
Including: preferred stock		
Perpetual bonds		
Capital reserves	29,750,065,569.07	29,749,958,232.81
Less: treasury stock		
Other comprehensive income	68,941,905.00	67,198,620.00
Special reserves		
Surplus reserves	698,328,259.36	698,328,259.36
Retained earnings	496,955,562.37	1,795,470,625.46
Total owners' equity	38,532,250,329.56	39,828,926,028.97
Total liabilities and owners' equity	58,234,649,629.76	58,319,605,145.93

3. Consolidated Income Statement

Unit: RMB

Item	Year 2024	Year 2023
I. Total operating income	137,674,557,166.85	140,439,738,058.63
Including: operating income	137,674,557,166.85	140,439,738,058.63
Interest income		
Premiums earned		
Revenue from handling charges and commissions		
II. Total operating costs	141,590,267,612.80	138,637,079,389.23
Including: operating costs	126,062,118,131.07	124,613,404,201.31
Interest expenses		
Handling charge and commission expenses		
Surrender value		
Net amount of compensation payout		
Net amount withdrawn for insurance liability reserves		
Policy dividend payment		
Reinsurance costs		

Item	Year 2024	Year 2023
Taxes and surcharges	8,406,769,217.11	8,659,867,481.86
Selling and distribution expenses	334,382,120.56	334,162,820.96
General and administrative expenses	1,081,209,219.11	864,410,563.34
Research and development expenses	832,022,384.44	671,302,694.89
Financial expenses	4,873,766,540.51	3,493,931,626.87
Including: interest expenses	4,996,149,469.46	3,587,807,476.21
Interest income	163,843,073.13	162,432,850.20
Plus: other income	972,010,521.45	593,658,304.83
Investment income ("-" for losses)	159,381,677.96	-43,147,112.00
Including: income from investment in associates and joint ventures	-364,514.73	-26,185,529.82
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)	39,709,845.02	1,568,194.25
Losses from credit impairment ("-" for losses)	-9,045,777.49	-14,812,224.53
Losses from asset impairment ("-" for losses)	-727,353,586.34	-2,210,198,657.58
Gains from disposal of assets ("-" for losses)	10,478,873.82	114,136,383.46
III. Operating profits ("-" for losses)	-3,470,528,891.53	243,863,557.83
Plus: non-operating income	69,587,586.75	104,361,753.13
Less: non-operating expenditures	312,741,116.02	37,254,595.85
IV. Total profits ("-" for total losses)	-3,713,682,420.80	310,970,715.11
Less: income tax expenses	-1,429,808,775.98	-400,223,038.96
V. Net profit ("-" for net loss)	-2,283,873,644.82	711,193,754.07
(I) Classified by operating sustainability		
1. Net profit from continued operation ("-" for net loss)	-2,283,873,644.82	711,193,754.07
2. Net profit from discontinued operation (- for net loss)		
(II) Classified by ownership		
1. Net profits attributable to shareholders of the parent company	-2,296,841,255.74	717,031,594.87
2. Minority interest income	12,967,610.92	-5,837,840.80
VI. Other comprehensive income,	13,557,776.77	1,069,608.07

Item	Year 2024	Year 2023
net of tax		
Other comprehensive income, net of tax, attributable to owners of the parent company	13,557,776.77	1,069,608.07
(I) Other comprehensive income that cannot be reclassified into profit or loss	1,743,285.00	988,590.00
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	1,743,285.00	988,590.00
4. Changes in the fair value of the company's own credit risk		
5. Others		
(II) Other comprehensive income that will be reclassified into profit or loss	11,814,491.77	81,018.07
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in fair value of other creditor's right investment		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other creditor's rights investment		
5. Cash flow hedging reserve		
6. Differences arising from translation of foreign-currency financial statements	11,814,491.77	81,018.07
7. Others		
Other comprehensive income, net of tax, attributable to minority shareholders		
VII. Total comprehensive income	-2,270,315,868.05	712,263,362.14
Total comprehensive income attributable to owners of the company	-2,283,283,478.97	718,101,202.94
Total comprehensive income attributable to minority shareholders	12,967,610.92	-5,837,840.80
VIII. Earnings per share		
(I) Basic earnings per share	-0.35	0.11
(II) Diluted earnings per share	-0.35	0.11

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

4. Parent Company's Income Statement

Unit: RMB

Item	Year 2024	Year 2023
I. Operating income	988,157,837.17	7,284,371,179.78
Less: operating costs	635,000,748.94	6,983,575,052.75
Taxes and surcharges	33,093,502.97	21,056,530.17
Selling and distribution expenses	1,122,088.84	579,157.78
General and administrative expenses	102,069,198.28	89,405,414.77
Research and development expenses		
Financial expenses	701,985,883.10	774,343,675.68
Including: interest expenses	740,725,355.51	751,644,921.72
Interest income	50,924,219.32	49,879,678.16
Plus: other income	356,332.25	6,691,343.82
Investment income ("-" for losses)	4,000,392.78	885,107,018.46
Including: income from investment in associates and joint ventures	252,358.66	2,315,262.06
Gains from derecognition of financial assets measured at amortized ("-" for losses)		
Gains from net exposure hedging ("-" for losses)		
Gains from changes in fair value ("-" for losses)	18,588,274.18	-9,396,150.58
Losses from credit impairment ("-" for losses)	370,356.42	-97,717.10
Losses from asset impairment ("-" for losses)		
Gains from disposal of assets ("-" for losses)	-6,645,305.37	2,950.89
II. Operating profits ("-" for losses)	-468,443,534.70	297,718,794.12
Plus: non-operating income	13,035,990.67	14,940,115.82
Less: non-operating expenditures	301,002.92	1,274,499.42
III. Total profits ("-" for total losses)	-455,708,546.95	311,384,410.52
Less: income tax expenses	181,685,071.14	-143,086,136.52
IV. Net profit ("-" for net loss)	-637,393,618.09	454,470,547.04
(I) Net profit from continued operation ("-" for net loss)	-637,393,618.09	454,470,547.04
(II) Net profit from discontinued operation ("-" for net loss)		
V. Other comprehensive income, net of tax	1,743,285.00	988,590.00

Item	Year 2024	Year 2023
(I) Other comprehensive income that cannot be reclassified into profit or loss	1,743,285.00	988,590.00
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	1,743,285.00	988,590.00
4. Changes in the fair value of the 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 creditor's right investment		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other creditor's rights investment		
5. Cash flow hedging reserve		
6. Differences arising from translation of foreign-currency financial statements		
7. Others		
VI. Total comprehensive income	-635,650,333.09	455,459,137.04
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Statement of Cash Flows

Unit: RMB

Item	Year 2024	Year 2023
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	170,231,575,366.91	155,578,948,937.98
Net increase in deposits from customers and deposits in banks and other financial institutions		

Item	Year 2024	Year 2023
Net increase in borrowings from 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 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 received from vicariously traded securities		
Refunds of taxes and surcharges	1,223,919,119.43	2,022,920,455.20
Cash received from other operating activities	10,182,529,925.81	9,754,976,711.05
Sub-total of cash inflows from operating activities	181,638,024,412.15	167,356,846,104.23
Cash paid for purchase of goods and receipt of services	147,322,850,976.75	133,670,343,531.08
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	4,450,689,414.66	3,775,080,384.22
Cash paid for taxes and surcharges	10,488,841,871.54	9,672,261,661.28
Cash paid for other operating activities	8,900,816,468.25	11,896,220,221.48
Sub-total of cash outflows from operating activities	171,163,198,731.20	159,013,905,798.06
Net cash flows from operating activities	10,474,825,680.95	8,342,940,306.17

Item	Year 2024	Year 2023
II. Cash flows from investing activities:		
Cash received from disinvestment	275,848,842.26	336,934,793.46
Cash received from investment income	21,968,917.42	12,106,973.11
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	302,601,543.60	1,113,122,577.85
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities	524,380,541.16	1,150,523,642.80
Sub-total of cash inflows from investing activities	1,124,799,844.44	2,612,687,987.22
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	12,700,852,089.68	23,767,512,460.05
Cash paid for investments	176,468,649.38	361,584,088.31
Net increase in pledge loans		
Net cash paid to acquire subsidiaries and other business units	51,842,508.14	
Cash paid for other investing activities	294,382,892.74	529,564,086.98
Sub-total of cash outflows from investing activities	13,223,546,139.94	24,658,660,635.34
Net cash flows from investing activities	-12,098,746,295.50	-22,045,972,648.12
III. Cash flows from financing activities:		
Cash received from investors	4,837,550,000.00	1,300,000,000.00
Including: cash received by subsidiaries from investments of minority shareholders	4,837,550,000.00	
Cash received from borrowings	94,584,353,737.73	69,852,204,801.94
Cash received from other financing activities	4,169,095,082.31	1,785,837,245.60
Sub-total of cash inflows from financing activities	103,590,998,820.04	72,938,042,047.54
Cash paid for debt repayment	87,160,685,796.59	51,785,412,769.06
Cash paid for distribution of dividends and profits or payment of interest	5,444,082,823.72	5,200,799,519.23
Including: dividends and profits paid to minority shareholders by subsidiaries		
Cash paid for other financing activities	3,567,702,686.62	5,968,503,935.80

Item	Year 2024	Year 2023
Sub-total of cash outflows from financing activities	96,172,471,306.93	62,954,716,224.09
Net cash flows from financing activities	7,418,527,513.11	9,983,325,823.45
IV. Effect of fluctuation in exchange rate on cash and cash equivalents	-171,179,385.10	-59,988,559.70
V. Net increase in cash and cash equivalents	5,623,427,513.46	-3,779,695,078.20
Plus: beginning balance of cash and cash equivalents	6,386,357,048.67	10,166,052,126.87
VI. Ending balance of cash and cash equivalents	12,009,784,562.13	6,386,357,048.67

6. Parent Company's Statement of Cash Flows

Unit: RMB

Item	Year 2024	Year 2023
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	21,666,143,425.48	19,762,579,394.96
Refund of taxes and surcharges		1,550,016.67
Cash received from other operating activities	10,316,356,802.70	12,886,035,234.53
Sub-total of cash inflows from operating activities	31,982,500,228.18	32,650,164,646.16
Cash paid for purchase of goods and receipt of services	19,978,303,515.21	17,225,739,913.22
Cash paid to and on behalf of employees	111,794,503.27	108,959,721.68
Cash paid for taxes and surcharges	118,910,297.98	35,160,197.64
Cash paid for other operating activities	9,470,907,872.47	15,038,934,009.07
Sub-total of cash outflows from operating activities	29,679,916,188.93	32,408,793,841.61
Net cash flows from operating activities	2,302,584,039.25	241,370,804.55
II. Cash flows from investing activities:		
Cash received from disinvestment	1,044,979.00	305,802,007.51
Cash received from investment income	20,858,535.12	889,791,756.40
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,392,735.00	205,284,607.66
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing		

Item	Year 2024	Year 2023
activities		
Sub-total of cash inflows from investing activities	23,296,249.12	1,400,878,371.57
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	10,107,811.07	32,201,830.50
Cash paid for investments	280,850,000.00	202,993,519.91
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
Sub-total of cash outflows from investing activities	290,957,811.07	235,195,350.41
Net cash flows from investing activities	-267,661,561.95	1,165,683,021.16
III. Cash flows from financing activities:		
Cash received from investors		
Cash received from borrowings	4,320,837,833.33	6,001,100,000.00
Cash received from other financing activities	5,000,000,000.00	2,020,000,000.00
Sub-total of cash inflows from financing activities	9,320,837,833.33	8,021,100,000.00
Cash paid for debt repayment	8,263,850,000.00	8,092,659,923.46
Cash paid for distribution of dividends and profits or payment of interest	1,068,276,158.69	1,113,688,474.69
Cash paid for other financing activities	1,635,458,296.02	5,308,828,362.50
Sub-total of cash outflows from financing activities	10,967,584,454.71	14,515,176,760.65
Net cash flows from financing activities	-1,646,746,621.38	-6,494,076,760.65
IV. Effect of fluctuation in exchange rate on cash and cash equivalents	126,678.90	-63,038,759.17
V. Net increase in cash and cash equivalents	388,302,534.82	-5,150,061,694.11
Plus: beginning balance of cash and cash equivalents	321,694,685.09	5,471,756,379.20
VI. Ending balance of cash and cash equivalents	709,997,219.91	321,694,685.09

7. Consolidated Statement of Changes in Owners' Equity

Year 2024

Unit: RMB

Item	Year 2024														
	Equity attributable to owners of the company													Minority equity	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 shares		Perpetual bonds	Others												
I. Balance at the end of the previous period	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															
Business combination under common control															
II. Balance at the beginning of the year	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 the current period ("-" for decreases)	8,029.00			-19,286.58	1,536,660,173.04		13,557,776.77	-9,502,234.48	20,514,392.00		-2,978,477,092.74		-1,417,258,242.99	3,397,221,051.54	1,979,962,808.55
(I) Total comprehensive income							13,557,776.77				-2,296,841,255.74		-2,283,283,478.97	12,967,610.92	-2,270,315,868.05
(II) Capital contributed or reduced by owners	8,029.00			-19,286.58	1,560,175,653.01								1,560,164,395.43	3,277,481,683.25	4,837,646,078.68
1. Common stock contributed by owners					1,560,068,316.75								1,560,068,316.75	3,277,481,683.25	4,837,550,000.00
2. Capital invested by the holders of other equity instruments	8,029.00			-19,286.58	107,336.26								96,078.68		96,078.68
3. Amounts of share-based payments recognized in owners' equity															
4. Others															
(III) Profit distribution									20,514,392.00		-681,635,837.00		-661,121,445.00		-661,121,445.00

Item	Year 2024														
	Equity attributable to owners of the company													Minority equity	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 shares	Perpetual bonds	Others													
1. Withdrawal of surplus reserves									20,514,392.00		-20,514,392.00				
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. Carry-forward of changes in the defined benefit plan for retained earnings															
5. Carry-forward of other comprehensive income for retained earnings															
6. Others															
(V) Special reserves								-9,502,234.48					-9,502,234.48	170,371.67	-9,331,862.81
1. Amount withdrawn in the current period								336,295,638.00					336,295,638.00	796,177.77	337,091,815.77
2. Amount used in the current period								345,797,872.48					345,797,872.48	625,806.10	346,423,678.58
(VI) Others					-23,515,479.97								-23,515,479.97	106,601,385.70	83,085,905.73
IV. Balance at the end of the current period	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

Year 2023

Unit: RMB

Item	Year 2023													
	Equity attributable to owners of the company												Minority equity	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	
I. Balance at the end of the previous period	9,599,588,940.16			906,691,995.86	18,209,793,170.31		74,539,490.29	7,838,677.20	603,991,295.17		6,298,390,031.62		35,700,833,600.61	-3,307,763.67
Plus: changes in accounting policies														
Correction of accounting errors in prior periods														
Business combination under common control					480,000,000.00			8,942,902.21			113,117,374.99		602,060,277.20	45,500,770.34
II. Balance at the beginning of the year	9,599,588,940.16			906,691,995.86	18,689,793,170.31		74,539,490.29	16,781,579.41	603,991,295.17		6,411,507,406.61		36,302,893,877.81	42,193,006.67
III. Increases/decreases in the current period ("+" for increases, "-" for decreases)	24,446.00			64,617.48	-947,698,612.57		1,069,608.07	78,828,856.16	5,421,262.78		10,489,091.89		-851,800,730.19	-1,105,083.31
(I) Total comprehensive income							1,069,608.07				717,031,594.87		718,101,202.94	-5,837,840.80
(II) Capital contributed or reduced by owners	24,446.00			64,617.48	188,463.10								277,526.58	
1. Common stock contributed by owners														
2. Capital invested by the holders of other equity instruments	24,446.00			64,617.48	188,463.10								277,526.58	
3. Amounts of share-based payments recognized in owners' equity														
4. Others														
(III) Profit distribution									5,421,262.78		-706,542,502.98		-701,121,240.20	
1. Withdrawal of surplus reserves									5,421,262.78		-5,421,262.78			
2. Withdrawal of general risk reserves														
3. Profit distributed to owners (or											-701,121,240.20		-701,121,240.20	-701,121,240.20

Item	Year 2023														
	Equity attributable to owners of the company													Minority equity	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 shares															
Perpetual bonds															
Others															
shareholders)															
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. Carry-forward of changes in the defined benefit plan for retained earnings															
5. Carry-forward of other comprehensive income for retained earnings															
6. Others															
(V) Special reserves								78,828,856.16					78,828,856.16		78,828,856.16
1. Amount withdrawn in the current period								327,007,249.80					327,007,249.80	309,479.29	327,316,729.09
2. Amount used in the current period								248,178,393.64					248,178,393.64	309,479.29	248,487,872.93
(VI) Others					-947,887,075.67								-947,887,075.67	4,732,757.49	-943,154,318.18
IV. Balance at the end of the current period	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

8. Parent Company's Statement of Changes in Owners' Equity

Year 2024

Unit: RMB

Item	Year 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 shares	Perpetual bonds	Others								
I. Balance at the end of the previous period	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
Plus: changes in accounting policies												
Correction of accounting errors in prior periods												
Others												
II. Balance at the beginning of the year	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 the current period ("-" for decreases)	8,029.00			-19,286.58	107,336.26		1,743,285.00			-1,298,515,063.09		-1,296,675,699.41
(I) Total comprehensive income							1,743,285.00			-637,393,618.09		-635,650,333.09
(II) Capital contributed or reduced by owners	8,029.00			-19,286.58	107,336.26							96,078.68
1. Common stock contributed by owners												
2. Capital invested by the holders of other equity	8,029.00			-19,286.58	107,336.26							96,078.68

Item	Year 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 shares	Perpetual bonds	Others								
instruments												
3. Amounts of share-based payments recognized in owners' equity												
4. Others												
(III) Profit distribution										-661,121,445.00		-661,121,445.00
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. Carry-forward of changes in the defined benefit plan for retained earnings												

Item	Year 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 shares	Perpetual bonds	Others								
5. Carry-forward of other comprehensive income for retained earnings												
6. Others												
(V) Special reserves												
1. Amount withdrawn in the current period												
2. Amount used in the current period												
(VI) Others												
IV. Balance at the end of the current period	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

Year 2023

Unit: RMB

Item	Year 2023											
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of the previous period	6,611,189,232.00			906,691,995.86	29,749,769,769.71		66,210,030.00		652,896,900.49	2,047,552,677.49		40,034,310,605.55
Plus: changes in accounting policies												
Correction of accounting errors in prior periods												
Others												
II. Balance at the beginning of the year	6,611,189,232.00			906,691,995.86	29,749,769,769.71		66,210,030.00		652,896,900.49	2,047,552,677.49		40,034,310,605.55
III. Increases/decreases in the current period ("-" for decreases)	24,446.00			64,617.48	188,463.10		988,590.00		45,431,358.87	-252,082,052.03		-205,384,576.58
(I) Total comprehensive income							988,590.00			454,470,547.04		455,459,137.04
(II) Capital contributed or reduced by owners	24,446.00			64,617.48	188,463.10							277,526.58
1. Common stock contributed by owners												
2. Capital invested by the holders of other equity instruments	24,446.00			64,617.48	188,463.10							277,526.58
3. Amounts of												

Item	Year 2023											
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
share-based payments recognized in owners' equity												
4. Others												
(III) Profit distribution									45,431,358.87	-706,552,599.07		-661,121,240.20
1. Withdrawal of surplus reserves									45,431,358.87	-45,431,358.87		
2. Profit distributed to owners (or shareholders)										-661,121,240.20		-661,121,240.20
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. Carry-forward of changes in the defined benefit plan for retained earnings												
5. Carry-forward of other comprehensive												

Item	Year 2023											
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
income for retained earnings												
6. Others												
(V) Special reserves												
1. Amount withdrawn in the current period												
2. Amount used in the current period												
(VI) Others												
IV. Balance at the end of the current period	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. Company profile

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 RMB ordinary shares 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 Fibre 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 of December 31, 2024, the Company has a total share capital of 6,611.2217 million shares and a registered capital of RMB 6,611.2217 million, with registered office at No.289, Dengzhou Road, Shengze Town, Wujiang District, Suzhou City, Jiangsu Province and headquarters' 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 April 27, 2025.

IV. Basis for preparation of the financial statements

1. Preparation Basis

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"), 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. Principal accounting policies and accounting estimates

1. Statement on compliance with 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 of the Company as at December 31, 2024, and the consolidated and the company's operating results and cash flows for the year then ended.

2. Accounting period

The accounting year is from January 1 to December 31 in calendar year.

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 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 of consolidated financial statements

Criteria for judging control

The consolidation scope of consolidated financial statements is determined on the basis of control, covering the Company and all the 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 takes the enterprise group as a whole accounting entity, and prepares the consolidated financial statements according to uniform accounting policies 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 disposal method

When the Company loses the control over the investee due to disposal of partial equity investment or other reasons, the remaining equity investment after the disposal will be re-measured by the Company at its fair value on the date of loss of 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 incomes that can be reclassified into profit or loss later, or the changes in owners' equity under the equity method associated with the equity investments of the original subsidiary, shall be transferred into the current investment income when control is lost.

② Disposal of subsidiaries by stages

If the control is lost due to disposal of the equity investments in subsidiaries through multiple transactions by stages, and the terms, conditions and economic impact of the transactions related to the disposal of equity investments in subsidiaries meet one or more of the following circumstances, it usually indicates that multiple transactions will be as a package deal:

- i. These transactions are concluded at the same time or with their impact on each other taking into consideration;
- ii. these transactions must be taken as one to form a complete commercial event;
- iii. The occurrence of a transaction depends on that of at least one other transactions; and/or
- iv. A single transaction is uneconomical but it is economical when considered together with other transactions.

Where various transactions belong to a package deal, accounting treatment shall be made by the Company on the transactions as a transaction to dispose subsidiaries and lose the control; the difference between each disposal cost and net asset share in the subsidiaries corresponding to each disposal of investments before loss of the control

should be recognized as other comprehensive income in the consolidated financial statements and should be transferred into the current profit or loss at the loss of the control.

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 of net assets calculated constantly from the acquisition date (or combination date) according to the newly increased shareholding ratio. Where the share premium is insufficient to offset, retained earnings will be adjusted.

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

The capital 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 capital 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) incomes from sale of output enjoyed by it from the joint operation;
- (4) incomes 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's investments in joint ventures are accounted for under the equity method. See Note "V.14 Long-term equity investments".

8. Recognition criteria of cash and cash equivalents

Cash refers to the cash on hand and the unrestricted deposit of the Company. 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 financial statements

Foreign currency transactions

Foreign currency transactions will be translated at the spot exchange rate on the transaction date and be accounted for at RMB.

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 rates on the balance sheet date. Owners' equity items, except for the item of "retained earnings", are translated at the spot exchange rates on the dates when the transactions occur. income and expenses in the income statement are translated at the spot exchange rate (or other exchange rates similar to the spot exchange rate on the transaction date and determined in accordance with 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 of foreign currency financial statements related to such overseas business should be transferred to the current profit or loss from the shareholders' 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 the 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 the other comprehensive income and financial assets measured at fair value through the current profit or loss.

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 contract cash flow is only the payment for the principal and the interest based on the outstanding principal amount.

Financial assets that meet both the following conditions and have not been designated as financial assets measured at fair value through current profit or loss will be classified as financial assets (debt instruments) measured at fair value through other comprehensive income:

- The purpose of the business model is to collect contractual cash flows and sell such financial assets;
- The contract cash flow is only the payment for the principal and the interest based on the outstanding principal amount.

At the initial recognition, the Company may irrevocably designate 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 financial assets measured at fair value through the current 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 measured at fair value through the current 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 can 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 has been 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 investments 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 under 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 other comprehensive income

Financial assets (debt instruments) measured at fair value through other comprehensive income include receivables financing and other creditor's investment, of which initial measurement is made at fair value, and relevant transaction costs are included in the initially recognized amount. The financial assets are subsequently measured at fair value. Changes in fair value, except for interest calculated with the effective interest method, impairment losses or gains and exchange gains and losses, shall be included in other comprehensive income.

When the financial assets are derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in 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 other equity instrument investments, 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 the other comprehensive income. Dividends obtained are included in the current profit or loss.

When the financial assets are derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in retained earnings.

(4) Financial assets measured at fair value through the current profit or loss

Financial assets measured at fair value through the current profit or loss include the financial assets held for trading, derivative financial assets and other non-current financial assets, etc., 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 trading financial liabilities 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 financial liabilities are subsequently measured at fair value. Changes in fair value shall be included in the current profit or loss.

Difference between the fair value and the consideration paid is included in the current profit or loss upon derecognition.

(6) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized costs include short-term borrowings, notes payable, 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 under the effective interest method is included in the current profit or loss.

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

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

Where financial assets satisfy any of the following requirements, the Company shall derecognize them:

- 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.

If the Company and the counterparty modify or renegotiate the contract and it constitutes a substantial amendment, the original financial asset shall be terminated and a new financial asset shall be recognized in accordance with the revised 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 shall 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 shall classify the transfer of the financial assets into the entire transfer and the partial transfer of financial assets. Where the entire transfer of a financial asset meets the derecognition criteria, the difference of the following two amounts will be 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 fair value originally 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 partial transfer of a financial asset meets the derecognition criteria, the entire book value of the financial asset transferred shall be allocated between the derecognized part and the recognized part based on the relative fair value, and the difference between the following two amounts shall be included in the current profit or loss:

- (1) The 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 a financial liability are dissolved in whole or in part, such financial liability or part thereof will be derecognized. Where the Company enters into an agreement with a creditor so as to substitute the existing financial liability with any new financial liability, and the new financial liability is substantially different from the existing one in terms of contractual terms, it shall derecognize the existing financial liability, and shall at the same time recognize new financial liability.

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

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 transferred out or new financial liabilities borne) shall be included in the current profit or loss.

Where the Company repurchases partial financial liability, the entire book value of such financial liability shall be split into the continuously-recognized part and derecognized part according to respective fair value on the repurchase date. The difference between the book value allocated to the derecognized part and the considerations paid (including non-cash assets surrendered or new financial liabilities assumed) shall be included in the current profit or loss.

Method of determining the fair value of financial assets and financial liabilities

The fair value of a financial instrument having an active market is determined on the basis of quoted prices 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 Group shall adopt the valuation technique that is applicable to the current circumstance and is supported by sufficient available data and other information to select the input values consistent with the assets or liabilities characteristics that are taken into account by market participants in

transactions of relevant assets and liabilities, and shall give priority in use of observable input values. And the unobservable input values may be used only when the observable input values are unable or impractical to be obtained.

Testing method and accounting treatment of depreciation of financial instruments

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

The Company performs accounting treatment of impairment for financial assets measured at amortized cost, financial assets (debt instruments) measured at fair value through other comprehensive income and financial guarantee contracts 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 - income*, whether or not they contain significant financing components, the Company always makes the provision for credit loss at the amount equivalent to the expected credit loss over the whole duration.

For lease receivables from transactions regulated by the *Accounting Standards for Business Enterprises No. 21 – Lease*, the Company always makes the provision for loss at the amount equivalent to the lifetime expected credit loss.

For other financial instruments, the Company assesses the change in the credit risk of the relevant financial instruments since initial recognition on each balance sheet date.

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, the Company believes that the credit risk of the financial instrument has significantly increased over 30 days after the due date, unless there is solid evidence that the credit risk of the financial instrument has not increased significantly since initial recognition.

The Company considers that the credit risk of the financial instrument has not increased significantly since initial recognition if the credit risk of a financial instrument on the balance sheet date.

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 provision for loss arising therefrom will be included in the current profit or loss as impairment loss or gain. For financial assets measured at fair value through other comprehensive income (debt instruments), the Company recognizes its loss reverses in other comprehensive income, and includes the impairment losses or gains into the current profit or loss, without deduction of book value of such financial assets listed in the balance sheet.

If the Company no longer reasonably expects that the contractual cash flow of the financial assets can be fully or partially recovered, the book balance of the financial assets 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.
Portfolio of related parties	Related party	
Portfolio of government receivables	Non-operating receivables from government agencies	

	and tax refund receivables during the credit period Portfolio of offshore company trade payments Nature of payment	
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(3) Accounts receivable with the measurement of expected credit loss made by portfolio

①Portfolio 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 those with high credit rating	Receivables from central government customers during the credit period	
Portfolio of trade payment of overseas companies	Nature of payment	

②Accounts 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

Inventory can be classified into raw materials, raw materials, revolving materials, stock commodities, goods in process, goods in transit, consigned processing materials, etc.

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

Measurement method of inventories dispatched

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

Inventory system

Perpetual inventory system is adopted.

Amortization method of low-cost consumables and packaging materials

(1) Low-cost consumables: Lump-sum amortization method;

(2) Packaging materials: Lump-sum amortization method;

Determination basis and provision method of inventory depreciation reserves

On the balance sheet date, inventories shall be measured at the cost or the net realizable value, whichever is lower. Where the inventory cost is higher than its net realizable values, the provision for inventory depreciation should be made. The 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.

Net realizable values of merchandise inventories held directly for sale, such as finished goods, stock commodities and available-for-sale materials, are measured at the estimated selling prices less estimated sales expenses and relevant taxes and surcharges in the normal production process. Net realizable values of material inventories which need further processing are measured at the estimated selling prices less the estimated costs of completion, estimated sales expenses and relevant taxes and surcharges in the normal production process. Net realizable values of inventories held for the purpose of fulfillment of sales contracts or service contracts are calculated on the basis of the contract prices; if the quantity of inventories held exceeds that stated in the contract, the net realizable values of the excessive part are calculated on the basis of normal selling prices.

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 shall be reversed from the amount of provision for inventory depreciation originally made, and the reversed amount shall be included in the current profit or loss.

12. Contract assets

Determination method and standards for contract assets

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance of fulfillment obligations and customer payments. 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. The contract assets and contract liabilities under the same contract are presented by their net amounts. The Company presents as its receivables its right to receive consideration from customers unconditionally (only depending on the time lapses).

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

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

13. Assets held for sale and discontinued operations

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 can be done only upon the approval of relevant authorities or regulatory authorities of the Company as required by 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 assets as 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 asset impairment held for sale is made.

Discontinued operations

Discontinued operations refer to the component that meets any of the following conditions, can be separately distinguished and has been disposed by the Company 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 the plan on intended disposal of an independent major business or a separately major business area; or
- (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 listed respectively in the income statement. The impairment loss from discontinued operation, reversed amount and other profit or loss from operation as well as profit or loss from disposal shall be presented as 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

For long-term equity investments in subsidiaries acquired from business combinations under common control, the initial investment cost thereof shall be recognized at the share of book value of the owner's equity of the combinee in the consolidated financial statements of the ultimate controller on the acquisition date. The share premium in the capital reserve is adjusted according to the difference between the initial investment cost of long-term equity investment and the book value of the consideration paid; if there is no sufficient share premium in the capital reserve for write-downs, the retained earnings are 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 capital premium. If the capital 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 profit or loss

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

Long-term equity investments of the Company in its subsidiaries are accounted for under the cost method unless such investments meet the conditions of holding 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.

When recognizing the share of the investee's net profit or loss, other comprehensive income and changes in other owners' equity that the Company shall enjoy, based on fair value of various identifiable assets and others of the investee on acquisition and according to accounting policies and accounting periods of the Company, the Company shall recognize such share after making adjustments to the investee's net profit and other comprehensive income.

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. Where the losses from internal transactions that are not realized between the Company and the investee fall into the scope of losses from asset impairment, the full amount of such losses shall be recognized.

The Company's net loss incurred by a joint venture or an associate, except for the obligation to assume additional losses, is limited to a write-down to zero of the book value of the long-term equity investment and other long-term interests that substantially constitute a net investment in the joint venture or associate. Where any joint venture or associate realize net profit in the future, the Company shall 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 purchase price is 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 should be made by the equity method, and an adjustment should 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 should 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 should 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 should 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 should 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 should 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. If it is not a package deal, each transaction shall be accounted for separately.

15. Investment properties

The investment properties refer to the properties held for earning rentals or/and capital appreciation, including leased land use right, land use right held for transfer upon appreciation, and leased building (including self-built buildings or buildings developed for renting or buildings under construction or development for future renting).

Subsequent expenses related to investment properties, if the economic benefits associated with such assets are likely to flow in the Group and its cost can be measured reliably, should be recorded in the cost of investment property; otherwise, they should be recorded into the current profit or loss when occur.

The Company measures its existing investment properties by using the cost model. For investment properties measured using the cost method-a building used for rental is subject to Company's depreciation policy for fixed assets, and the land use right used for rental is subject to the amortization policy for intangible assets.

Type	Depreciation/amortization life (year)	Net residual value rate (%)	Annual depreciation /amortization rate (%)
Buildings and constructions	10~50	4~5	1.90~9.60
Land use rights	31~50	0	2.00~3.23

16. Fixed assets

Recognition and initial measurement of fixed assets

Fixed assets are tangible assets that are held for the purpose of producing goods, providing services, leasing or operating management, and having a useful life of more than one fiscal 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.

Fixed assets shall be initially measured at cost (with the consideration of the expected discard expenses).

The subsequent expenditures relating to fixed assets shall be included in the costs of fixed assets when the relevant economic interests are much likely to flow in the Company and their costs may be measured reliably; as for the party replaced, the book value shall be derecognized; all other subsequent expenditures shall be included in the current profit or loss when incurred.

Depreciation method

Depreciation of the fixed assets is made on a category basis using the straight-line method. The depreciation rates are determined according to the categories, estimated useful lives and estimated net residual rates 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 years, residual value rates and annual depreciation rates of fixed assets are presented by categories as follows:

Type	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 generate economic benefits after the use or disposal, the fixed assets shall be derecognized. The difference of the income from disposal of fixed assets such as sales, transfer, scrapping or damage deducting their book value and related taxes should be included into current profit or loss.

17. Construction in progress

The construction in progress is measured at the actually incurred cost. The actual costs include building costs, installation costs, borrowing costs eligible for capitalization and other necessary expenditures to make the construction in progress achieve the working condition for its intended use. When the construction in progress reaches the working condition for its 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 the capitalization of borrowing costs

The borrowing costs incurred to the Company and directly attributable to the acquisition and construction or production of assets eligible for capitalization should be capitalized and recorded into relevant asset costs; other borrowing costs should be recognized as costs according to the amount incurred and be included into 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 of borrowing costs

Capitalization period refers to the period from the beginning of capitalization to the cease of capitalization, excluding the period of capitalization suspension of borrowing costs.

Borrowing costs may be capitalized only when all the following conditions are met:

- (1) Asset expenditures, which include 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 suspension for capitalization

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

Calculation method of capitalization rate and capitalization amount of borrowing costs

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

For general borrowings used for acquiring, 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 of used general borrowings. The capitalization rate is calculated by weighted average interest rate of 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 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 directly attributable expenses incurred to prepare the assets for their intended uses.

(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 the useful life of the intangible assets with definite useful lives

Item	Estimated useful life (year)	Basis
Land use right and sea area use right	36~50	Year limit indicated on the certificate
Software	2~10	Benefit period
Patent use right	20	Benefit period
Others	10	Benefit period

Determination basis of intangible assets with indefinite useful lives and procedures for reexamining its useful lives

The emission rights and coal replacement volume indexes acquired by the Company have no definite permitted period of use and will be used for operation continuously, and the period to bring future economic benefits to the Company cannot be reliably estimated. Therefore, the Company recognizes the emission rights and coal replacement volume indicators without a 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.

Consolidation scope of research and development expenses

(1) Staff and labor costs

Staff and labor costs include wages and salaries, basic endowment insurance premiums, basic medical insurance premiums, unemployment insurance premiums, work-related injury insurance premiums, maternity insurance premiums and housing provident funds of the Company's R&D personnel, as well as labor costs of external R&D personnel.

If the R&D personnel serve multiple R&D projects at the same time, the labor costs shall be recognized according to the working hours records of the R&D personnel of each R&D project provided by the Company's management department, and shall be allocated among different R&D projects in proportion.

For personnel directly engaged in R&D activities and external R&D personnel engaged in non-R&D activities at the same time, the Company shall, according to the working hours records of the R&D personnel in different positions, allocate the actual labor costs between the R&D expenses and the production and operation expenses according to the proportion of actual working hours and other reasonable methods.

(2) Direct input costs

Direct input costs refer to the relevant expenses actually incurred by the Company for the implementation of research and development activities. Including: 1) directly consumed materials, fuel and power costs; 2) the development and manufacturing costs of molds and process equipment used for intermediate tests and product trial production, the purchase costs of samples, prototypes and general testing means that do not constitute fixed assets, and the inspection costs of trial-produced products; 3) the operation, maintenance, adjustment, inspection, testing and maintenance costs of instruments and equipment used for research and development activities.

(3) Depreciation expenses and long-term deferred expenses

Depreciation expenses refer to the depreciation expenses of instruments, equipment and buildings in use used for research and development activities.

If the instruments, equipment and buildings in use used for research and development activities are also used for non-research and development activities, necessary records shall be made on the use of such instruments, equipment and buildings, and the depreciation expenses actually incurred shall be allocated between the research and development expenses and the production and operation expenses in a reasonable way according to the actual working hours, usable area and other factors.

Long-term deferred expenses refer to the long-term deferred expenses incurred in the process of reconstruction, modification, decoration and repair of R&D facilities, which are collected according to the actual expenses and amortized evenly by stages within the prescribed period.

(4) Intangible assets amortization expenses

Intangible assets amortization expenses refer to the amortization expenses of software, intellectual property rights, non-patented technologies (proprietary technology, licenses, design and calculation methods, etc.) used for research and development activities.

(5) Design fee

Design expenses refer to the expenses incurred for the conception, development and manufacture of new products and new processes, as well as the design of processes, technical specifications, procedures and operational characteristics, including the relevant expenses incurred for creative design activities to obtain innovative, creative and breakthrough products.

(6) Equipment commissioning costs and test costs

Equipment commissioning expenses refer to the expenses incurred in research and development activities in the process of tooling preparation, including the expenses incurred in activities such as developing special and dedicated production machines, changing production and quality control procedures, or formulating new methods and standards.

Expenses incurred for routine tooling preparation and industrial engineering for large-scale mass production and commercial production are not included in the scope of collection.

The trial expenses include the clinical trial expenses for the research and development of new drugs, the on-site test expenses for exploration and development technologies, and the field test expenses.

(7) External research and development expenses

External research and development expenses refer to the expenses incurred by the Company in entrusting other institutions or individuals at home and abroad to carry out research and development activities (the results of research and development activities are owned by the Company and closely related to the Company's main business).

(8) Other expenses

Other expenses refer to other expenses directly related to research and development activities in addition to the above expenses, including the technical book material fees, material translation fees, the expert consulting fees, the high-tech research and development insurance fees, the retrieval, demonstration, review, appraisal and inspection fees for research and development results, the application fees, registration fees and agency fees for intellectual property rights, the conference fees, the travel & accommodation fees, the communication fees, etc.

Specific criteria for classifying research and development stages

The Company's expenses for its internal research and development projects are classified into research expenses and development expenses.

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

Development stage: development stage 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.

Specific criteria for qualifying expenditure on the development phase for capitalization

Expenditures at the research stage will be included in the current profit or loss when they are incurred. Expenditures at the development stage will be recognized as intangible assets only when the following conditions are simultaneously satisfied, and included in the current profit or loss if the following conditions are not satisfied:

- (1) In respect of the technology, it is feasible to finish the intangible asset for use or sale;
- (2) It is intended to finish and use or sell the intangible assets;
- (3) The ways whereby the intangible asset is to generate economic benefits, including those whereby it is able to prove that there is a potential market for the products manufactured by applying this intangible asset or that there is a potential market for the intangible asset itself; if the intangible asset will be used internally, its usefulness shall be proved;
- (4) With the support of sufficient technologies, financial resources and other resources, it is able to finish the development of the intangible asset, and it is able to use or sell the intangible asset; and
- (5) The expenditures attributable to the development of the intangible asset can be reliably measured.

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. Long-term assets impairment

The Company will conduct the impairment test if the evidence shows that the long-term assets, such as the long-term equity investment, investment properties measured with the cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with definite useful lives and oil and gas assets, are impaired on the balance sheet date. If the result of the impairment test shows that the recoverable amount of the asset is lower than its book value, the provision for impairment shall 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. The asset portfolio is the minimum asset group that can independently generate the cash inflow.

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. Then, the Company shall test the impairment of the asset group or portfolio of asset groups with goodwill, and compare the book value thereof with said recoverable amount; if the said recoverable amount is lower than the book value thereof, the amount of impairment losses should be firstly used to deduct book value of goodwill allocated to the asset group or the portfolio of asset group, and then deduct book value of other assets according to the proportion of the book value of other assets other than the goodwill in the asset group or the portfolio of asset group. The losses from impairment of the above assets cannot be reversed in subsequent accounting periods once recognized.

18. Long-term deferred expenses

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

Amortization method:

Long-term deferred expenses are evenly amortized over the benefit period.

Amortization period:

Lease fees are amortized evenly over the beneficial period.

22. Contract liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. 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 when employees serve the Company, the actual short-term compensation is recognized as liabilities and included in the current profit or loss or related asset costs.

During the accounting period when employees serve the Company, the corresponding amount of employee compensation is calculated and determined according to the provision basis and provision proportion as stipulated in the provisions on the social insurance premiums and housing funds paid for employees by the Company, as well as trade union funds and employee education funds.

The employee welfare expenses incurred in the Company are included in the current profit or loss or related asset costs 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 basic endowment insurance premium and unemployment insurance premium paid by the Company for its employees in accordance with relevant provisions of the local government are recognized as liabilities and included to the current profit or loss or the relevant asset costs, with the payable amount calculated based on the local prescribed payment base and proportion, during the accounting period in which the employees provide services to the Company. In addition, the Company also participated in the enterprise annuity plan/supplementary pension insurance fund approved by relevant state departments. The Company makes payments to the annuity plans or local social insurance institutions in a certain proportion to the total employee wage, with corresponding expenses included in the current profit or loss or related asset costs.

(2) Defined benefit plan

The Company attributes the benefit obligation under the defined benefit plan to the period during which employees provide service to the Company, based on the formula determined based on the estimated accumulated benefit unit method, and charges the same to the current profit or loss or relevant asset costs.

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 from the fair value of the assets under the defined benefit plan. For a surplus of defined benefit plan, the Company should measure the net asset of such defined benefit plan at the lower of the surplus of such defined benefit plans and the asset thereof.

The obligations under the defined benefit plan, including the estimated payment obligation within 12 months following the annual report period during which the employees provide service, are discounted to the present value at the market return of the national debt of which the term and currency match those of the obligation under the defined benefit plan on the balance sheet date, or of the high-quality corporate debt in an 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 related assets cost; changes in the re-measurement of net liabilities or net assets under the defined benefit plan 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 measured at the balance between the present value of the obligations of the defined benefit plan and the settlement price determined on the settlement date.

Accounting treatment of dismissal benefits

As to providing employees dismissal benefits, employee benefits incurred from dismissal benefits should be recognized as liabilities and included in the current profit or loss at the date when the Company is unable to unilaterally withdraw the dismissal benefits provided in the plan on the cancellation of labor relationship or the layoff proposal or when the Company recognizes the cost related to restructuring concerning payment of dismissal benefits (whichever is earlier).

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 such obligation can be measured reliably.

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

When determining the best estimates, the Company comprehensively considers the risks, uncertainties, time value of money, and other factors relating to the contingencies. If the time value of money is significant, the best estimates will be determined after discount of relevant future cash outflows.

If there is continuous range for the necessary expenses, 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 the contingency involves multiple items, the best estimate shall be recognized at the various possible outcomes and the associated probabilities.

When all or some of the expenses necessary for the liquidation of estimated liabilities of the Company are expected to be compensated by a third party, the compensation should be separately recognized as an asset only when it is virtually certain that the reimbursement will be obtained. The amount recognized for the reimbursement 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 instruments

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. As for share-based payment transaction that can be exercised immediately after the grant, it should be included in the relevant costs or expenses at the fair value of the equity instrument on the grant date. The capital reserves should be increased accordingly. As for the share-based payment transaction whose right may not be exercised after the grant until the waiting period comes to an end or until the specified performance conditions are met, then the services obtained in the current period shall be included in the relevant costs or expenses based on the best estimate of the equity

instruments with exercisable rights on each balance sheet date within the waiting period and according to the fair value on the grant date.

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, any modification that increases the fair value of the equity instrument granted, or any change that is beneficial to the employee on the modification date, is recognized as an increase in services obtained.

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 instruments

A cash-settled share-based payment shall be measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by the Company. As for the share-based payment transaction that can be exercised immediately after the grant, the fair value of the liability undertaken by the Company shall, on the grant date, be included in the relevant cost or expense and the capital reserves shall be increased 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.

When the Company modifies the terms and conditions of a cash-settled share-based payment agreement to make it an equity-settled share-based payment, on the modification date (whether it occurs during the waiting period or after the waiting period), the Company measures the equity-settled share-based payment at the fair value of the equity instrument granted on the same day, and includes the services obtained in the capital reserve, and at the same time, terminates the recognition of the liability recognized on the modification date for the cash-settled share-based payment, and the difference between the two is included in the current profit and loss. If the waiting period is extended or shortened due to the modification, the Company shall conduct 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 control of related goods or services refers to being able to dominate the use of the goods or the services and obtain almost all economic benefits from them.

Where the contract contains two or more performance obligations, the Company will allocate the transaction price to each individual performance obligation based on the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation on the contract commencement date. Meanwhile, the Company measures the income according to the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration that the Company expects to receive for the transfer of goods or services to customers, excluding amounts collected on behalf of third parties and amounts that are expected to be returned to customers. The Company determines the transaction price in accordance with the terms of the contract and in combination with its past practice, and meanwhile take into account the impact of variable consideration, the existence of significant financing elements in the contract, non-cash consideration and consideration payable to the customer. The Company determines the transaction price that includes variable consideration at an amount that does not exceed the accumulatively recognized revenue that is highly unlikely to have a major reversal when the relevant uncertainty is eliminated. Where there is a significant financing element in a contract, the Group determines the transaction price based on the assumed amount of cash to be paid when the customer obtains control of the goods or services, and amortizes the difference between the transaction price and the contract consideration over the contract period at the effective interest method.

If the Company meets one of the following conditions, it shall perform the performance obligation within a certain period of time; otherwise, it shall perform the performance obligation at a certain period:

- The customer obtains and consumes the economic benefits brought by the performance of the Company while the company is performing the obligation.
- The customer is able to control the goods under construction in the Company's performance process; or
- The goods produced by the Company during the performance 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 performance obligations performed within a certain period of time, the Company recognizes revenue pursuant to the progress of performance in such period, unless the performance progress cannot be reasonably determined. The Company uses either the output or input method to determine the performance progress, by taking into account the nature of the goods or services. When the performance progress cannot be reasonably determined, if the cost incurred is expected to be compensated, the Company recognizes the revenue according to 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 of the relevant goods or services. The Company will consider the following signs when judging whether the customer has acquired or services control over the goods, including:

- The Company has a present right to receive payment for the goods or services, i.e. the customer has a present obligation to pay for the goods or services.
- The Company has transferred the legal title of the goods to the customer, which means that the customer has the legal title of the goods.
- The Company has physically transferred the goods to the Customer, which means that the Customer has physical possession of the goods.
- The Company has transferred to the customer the principal risks and rewards of ownership of the goods, i.e., the customer has received the principal risks and rewards of ownership of the goods.
- The customer has accepted the goods or services, etc.

The Company determines whether its status is a main principal or agent at the time of engaging in a transaction based on whether it has control over the goods or services prior to transferring them to the customer. If the Company is able to control the goods or services before transferring them to the customer, the Company is the main principal and recognizes revenue based on the total consideration received or receivable; otherwise, the Company is the agent and recognizes revenue based on the amount of commissions or handling fees to which it expects to be entitled.

Disclosure of specific revenue recognition and measurement methods by business type

(1) Petrochemical and chemical new material product sales business

a. Domestic sales: Revenue from self-delivery goods is recognized when such goods are located at the ex-factory area 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) Electricity and thermal energy sales business

The sales revenue is recognized after the power and thermal energy services have been provided.

(3) Real estate leasing business

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) Service Revenue

The service contracts between the Company and its clients primarily involve performance obligations such as engineering design and supervision. Due to the unique and non-replaceable nature of the goods produced during the Company's performance of these contracts, and the Company's right to collect payments for the cumulative completed performance over the entire contract period, the Company recognizes these as performance obligations

fulfilled within a specific timeframe. Revenue is recognized based on the progress of performance, except in cases where the performance progress cannot be reasonably determined. In situations where the performance progress cannot be reasonably determined, the Company recognizes revenue based on the costs that have been incurred and are expected to be recoverable, until the performance progress can be reasonably determined.

27. Contract costs

The contract costs include contract performance costs and contract acquisition costs.

If the costs incurred in performing the contract do not belong to the scope of the relevant standards such as inventories, fixed assets or intangible assets, and the following conditions are met at the same time, such costs shall be recognized as an asset categorized as contract performance costs:

- The costs are directly related to a current or expected contract obtained.
- Such cost increases the resource which will be used by the Company for obligation performance.
- The cost is expected to be recovered.

If the incremental cost incurred in the Company on account of contract acquisition is expected to be recoverable, it, as the contract acquisition cost, will be recognized as an asset.

Assets related to contract costs are amortized on the same basis as the recognition of revenue from the goods or services related to such asset; however, if the amortization period of contract acquisition costs does not exceed one year, the Company will include them in the current profit or loss at the time of occurrence.

If the assets related to contract costs whose carrying amount is higher than the difference between the following two items, the Company will make provision for impairment for the excess part and recognize it as loss from asset impairment:

- (1) The remaining consideration expected to be obtained on account of the transfer of goods or services related to the assets;
- (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 freely obtained by the Company from the government. Government grants are classified into assets-related government grants and income-related government grants.

Asset-related government grants are government grants that the enterprise acquires for acquisition, construction or otherwise form long-term assets. The income-related government grants refer to government grants other than asset-related government grants.

Timing of recognition

Government grants shall be recognized only if the Company is able to comply with the conditions for the government grants, and is likely to receive the government grants.

Accounting treatment

Asset-related government grants shall be used to offset the book value of relevant assets or recognized as deferred income. Where such subsidies 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 (Where such subsidies are related to the routine activities of the Company, they will be included in other income; where such subsidies are not related to the 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 shall be recognized as the deferred income, and, during the period when relevant costs or losses are recognized, be included in the current profit or loss (where income-related government grants are relevant to routine activities of the Company, such grants shall be included in the other income; where

income-related government grants are irrelevant to routine activities of the Company, such grants shall 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 shall be included in the current profit or loss (where income-related government grants are relevant to routine activities of the Company, such grants shall be included in the other income; where income-related government grants are irrelevant to routine activities of the Company, such grants shall 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) When 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 will take the book-entry value at the loan 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 and deferred income tax liabilities

Income tax includes the current income tax and deferred income tax. Except for the income tax arising from business mergers and such transactions or items as are directly included in shareholders' equity (including other comprehensive income), the Company shall include the current income tax and the 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.

Deferred income tax assets are recognized for deductible temporary differences to the extent of the taxable income probably obtained in future period that can be used for deducting the deductible temporary differences. For deductible losses and tax credits that can be carried forward to subsequent periods, deferred income tax assets arising therefrom are recognized to the extent of the taxable income probably obtained in future period that can be used for deducting the deductible losses and tax credits.

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

Such special circumstances include:

- Initial recognition of goodwill;
- The transaction or matter that is not a business combination and that affects neither accounting profit nor taxable income (or deductible loss) when it occurs, and in which initially recognized asset or liability does not cause equal taxable temporary difference and deductible temporary difference.

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 taxes to offset the benefit of the deferred income tax assets, the book value of the deferred income tax assets shall be written down. The amount written down may be reversed when the taxable income obtained may be sufficient.

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 income tax assets and current income tax liabilities of the Company shall be presented based on the net amount after offset.

On the balance sheet date, the deferred income tax assets and deferred income tax liabilities are presented at net of offsetting amounts when both of the following conditions are met:

The taxpayer has the legal right to settle current income tax assets and current income tax liabilities on a net basis;

- 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 on different taxpayers, but, in each important future period in connection with the reverse of deferred income tax assets and liabilities, the involved taxpayer intends to balance income tax assets and liabilities for the current period with net settlement at the time of obtaining assets and discharging liabilities.

30. Leases

Lease refers to a contract in which a lessor assigns the right to use an asset to a lessee within a certain period of time in order to obtain consideration. On the commencement date of a contract, the Company evaluates whether the contract is concluded for lease or involved with lease. If any party to a contract has exchanged the right to control the use of one or more identified assets within a certain period for consideration, the contract is concluded for lease or involved with 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

At the commencement of the lease term, the Company recognizes the leases other than short-term leases and leases of low-value assets 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 the depreciation of the right-of-use assets under the straight-line-method. Where it can be reasonably certain that the Company will obtain ownership of the leased asset at the expiry of the lease term, the leased assets are depreciated over the remaining useful life; where it cannot be reasonably certain that the Company can obtain ownership of the leased asset at the end of the lease term, the leased assets are depreciated at the shorter of the lease term and the use life of the remaining leased assets.

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", 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;

The amount to be paid to exercise the lease termination option, provided that it is reflected that the Company will exercise the lease termination option during the lease period.

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 of lease liabilities in each lease term based on a fixed periodic interest rate, and includes such expenses into the current profit or loss or the related asset costs.

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;

When the actual substantial fixed payments changes, the expected payable amount of the guaranteed residual value changes, or the index or proportion used to determine the lease payment changes, the Company remeasures lease liabilities according to the present value calculated based on the changed lease payment and 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 lease of low-value assets

The Company chooses not to recognize the short-term lease and low-value asset lease as the right-of-use assets and lease liabilities, and includes 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 leases refer to leases that do not exceed 12 months on the commencement date of the lease term and do not include any purchase option. Low-value asset lease refers to the lease where the price is low when the individual leased asset is the brand-new asset. If the Company sublets or anticipates subletting the leased assets, the original lease is not a low-value asset lease.

(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;

Where the increase of the consideration is equivalent to the adjusted individual price of the expanded part of the lease scope according to the contract.

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 a lease change results in a narrowing of the lease scope or a shortening of the lease term, the Company will reduce the book value of the right-of-use asset accordingly, and recognize the gain or loss related to partial or complete termination of the lease in the current profit or loss. When the lease liabilities are remeasured due to other lease changes, the Company will adjust the book value of the 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 all risks and rewards related to the ownership of leased assets have been transferred, no matter 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 leases

Lease receipts from operating leases during each lease term shall be recognized as rental income with the straight-line method. 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 finance leases, and derecognizes assets under the finance lease. When the Company makes initial measurement of finance lease receivables, the net lease investment is used as the recorded value of 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 shall be accounted for in accordance with Note "V.10 Financial instruments".

The variable lease payable that is not included in the net lease investment for measurement shall be included in the current profit or loss at the time of actual occurrence.

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:

where the change expands the scope of the lease by adding the right to use one or more 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.

If a change in a finance lease is not accounted for as a separate lease, the Company treats the changed lease separately under the following circumstances:

If the change takes effect on the commencement of the lease, the lease will be classified as an operating lease, and the Company will treat it as a new lease from the effective date of the lease change, and take the net lease investment before the effective date of the lease change as the book value of the leased assets;

If the lease is classified as a finance lease when the change is effective on the commencement date of the lease, the Company would have accounted for the lease in accordance with the policy on modification or renegotiation of contracts as described in Note "V.10 Financial instruments".

Sale-and-leaseback deal

The Company evaluates and determines whether the transfer of assets in the sale-and-leaseback transaction is a sale in accordance with the principles described in Note "V.26 Revenue".

(1) As the lessee

If the asset transfer in the sale-leaseback transaction belongs to sales, the Company as the lessee measures the right-of-use asset formed by the sale-leaseback according to the part related to the use-right obtained from the leaseback in the original book value of assets, and only recognizes the relevant gains and losses only for the rights transferred to the lessor;

After the commencement date of the lease term, for the subsequent measurement and lease change of the right-of-use assets and lease liabilities, please refer to "1. The Company as the lessee" in V.30. Lease. In the subsequent measurement of the lease liabilities arising from after-sale leaseback, the Company's determination of the lease payment or the changed lease payment will not lead to the determination of the gains or losses related to the right to use the leaseback.

If the asset transfer in the sale-and-leaseback transaction does not belong to the sale, the Company, as the lessee, continues to confirm the transferred assets and recognizes a financial liability equivalent to the transfer income. See Note "V.10 financial instruments" for the accounting treatment of financial liabilities".

(2) As the lessor

If the transfer of assets in a sale-and-leaseback transaction is a sale, the Company accounts for the purchase of the assets as a lessor in accordance with the aforementioned policy stated in "2. The Company as the lessee; if the transfer of assets in a sale-and-leaseback transaction is not a sale, the Company, as the lessor, does not recognize the transferred asset, but recognizes a financial asset equal to the transfer proceeds. See Note "V.10 financial instruments" for the accounting treatment of financial assets".

31. Hedge accounting

Classification of hedging

- (1) The term "fair value hedging" refers to a hedging of the risk of changes in the fair value of a recognized asset or liability or an unrecognized firm commitment (except for foreign exchange risk).
- (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 or 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. Net investment in an overseas operation refer to the equity proportion of an enterprise in net assets in an overseas operation.

Designation of hedging relationship and recognition of hedging effectiveness:

At the commencement of the hedging, 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. This document specifies the nature and quantity of the hedging instrument and the hedged item, the nature of the hedged risk, type of hedging, and the assessment by the Company on the effectiveness of the hedging instruments. The term "hedging effectiveness" refers to the extent that the changes in the fair value or cash flow of a hedging instrument offsets the changes resulting from the hedging risks in the fair value or cash flow of a hedged item.

The Company continues to evaluate the effectiveness of hedges, and ensures that whether the hedge meets the requirement for effectiveness by use of the hedge accounting during the accounting period designated as to the hedging relationship. If it doesn't meet the requirement, the hedging relationship will be terminated.

For the application of hedging accounting, the following requirements of hedging effectiveness shall be met:

- (1) There is an economic relationship between the hedged item and the hedging instrument.
- (2) For the value change caused by the economic relationship between the hedged item and the hedging instrument, the impact of credit risk is not dominant.
- (3) It is required to adopt the proper hedging rate, which will not form an imbalance of relative weight between the hedging item and the hedging instrument, resulting in an accounting result that is inconsistent with the hedging accounting objective. If the hedging rate is no longer proper, but the hedge risk management objective does not change, the number of hedged items or hedging instruments should be adjusted so as to make the hedging rate meet the requirements for effectiveness again.

Accounting treatment of hedging

(1) Fair value hedging

Changes in fair value of the hedging derivative shall be included in the current profit or loss. Changes in fair value of the hedged item attributable to hedged risk shall be included in the current profit or loss, and book value of the hedged item shall be adjusted simultaneously.

For fair value hedges related to financial instruments measured at the amortized cost, an adjustment made to the book value of the hedged item should be amortized during the remaining period from the adjustment date to the maturity date and should be recorded in the current profit or loss. Amortization pursuant to effective interest method can be conducted hereupon after the adjustment of book value, but shall not be later than the date, when the hedged item terminates adjustment on changes in fair value due to hedging risks.

If the hedged item is derecognized, the unamortized fair value should 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 shall be recorded into the current profit or loss. Changes in the fair value of the hedging instrument are also recognized in the current profit or loss.

(2) Cash flow hedges

The portion of profit or loss on the hedging instrument attributable to the effective hedge shall be directly recognized as other comprehensive income, which attributable to the ineffective hedge shall be recorded in the current profit or loss.

Where the hedged transaction affects current profit or loss, amount recognized in other comprehensive income shall be transferred in the current profit or loss, if recognition of hedged financial revenue or financial expenses or anticipated sales occurs. 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 definite undertaking is not expected to occur, the gains or losses of the hedging instrument 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 (or not replaced or renewed), or the Company revokes the designation of the hedge relationship, amounts previously recognized in other comprehensive income shall not be transferred out until the forecast transaction or definite undertaking affects the current profit or loss.

(3) Hedges of net investment in an overseas operation

For hedges of net investment in an overseas operation including the hedges of monetary items as a part of net investment, the disposal of such hedges is similar to that of cash flow hedges. The portion of profit or loss on the hedging instrument attributable to the effective hedge shall be recognized as other comprehensive income, which attributable to the ineffective hedge shall be recorded in the current profit or loss. When overseas operation is disposed, any accumulated profit or loss recognized in other comprehensive income shall be transferred out and included in the current profit or loss.

32. Segment report

The Company determines operating segments based on internal organization structure, management requirements and internal reporting system, determines reporting segments based on operating segments, and disclose the information of the segments.

The operating segment includes the Company's constituent parts meeting the following conditions at the same time: (1) These constituent parts can cause revenue or expense 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. Method for determining significance criteria and basis for selection

Item	Significance criteria
Significant construction in progress	The Company recognizes construction in progress whose budgeted amount for the construction in progress on a single basis exceeds 0.5% of total assets, or that the company deems significant, as significant construction in progress.
Significant accounts payable with aging of over 1 year	The Company recognizes accounts payable whose amount on a single basis exceeds 10% of the accounts payable or exceeds RMB 100 millions as significant accounts payable.
Significant other accounts payable with aging of over 1 year	The Company recognizes other payables whose amount on a single basis exceeds 10% of other payables or exceeds RMB 100 millions as significant other payables.
Significant contractual liabilities with aging of over 1 year	The Company recognizes contractual liabilities whose amount on a single basis exceeds 10% of contractual liabilities and exceeds RMB XX '0,000 as significant contractual liabilities.
Significant non-wholly owned subsidiaries	The Company identifies subsidiaries whose total assets on a single basis exceed 3% of total assets as significant non-wholly owned subsidiaries (whose total assets, operating income, and total profits (or losses in absolute terms), either or all, account for 10% or more of the corresponding items in the consolidated financial statements)
Major associates	The Company identifies an associate as significant associate if the

	book value of a single investment exceeds 0.5% of the Company's total assets
Significant commitments	The Company recognizes commitments with a single amount exceeding 3% of the amount of financial statements related to XXX or other matters that have a significant impact on investors' decision-making as significant commitments
Significant contingencies	The Company recognizes contingencies with a single amount exceeding 3% of the amount of financial statements related to XXX or other matters that have a significant impact on investors' decision-making as significant contingencies
Significant post balance sheet events	The Company recognizes the distribution of profits after the balance sheet date and other matters that have a significant impact on investors' decision-making as significant post balance sheet events

34. Changes in significant accounting policies and accounting estimates

(1) Adjustments for changes in significant accounting policies

☒Applicable ☐Not applicable

①Implementation of the Interpretation No.17 of Accounting Standards for Business Enterprises

On October 25, 2023, the Ministry of Finance issued the Interpretation No. 17 of the Accounting Standards for Business Enterprises (CK [2023] No. 21, hereinafter referred to as the "Interpretation No. 17").

1) Classification of current and non-current liabilities

Interpretation No. 17 clarifies that:

If an enterprise does not have a substantive right at the balance sheet date to defer settlement of a liability for more than one year after the balance sheet date, the liability should be classified as a current liability.

With respect to liabilities arising from an enterprise's loan arrangement, the enterprise's right to defer settlement of the liability for more than one year after the balance sheet date may depend on the enterprise's compliance with the conditions set forth in the loan arrangement (hereinafter referred to as the covenant conditions), and the enterprise, in determining the existence of its substantive right to defer settlement of the liability, should consider only the covenant conditions that should be followed on or before the balance sheet date and should not consider the covenant conditions that the enterprise should be followed after the balance sheet date.

Settlement of liabilities in the context of the liquidity division of liabilities means that an enterprise discharges a liability by transferring cash, other economic resources (e.g., goods or services), or the enterprise's own equity instruments to a counterparty. If the terms of liability result that the enterprise settles the liability by delivering its own equity instrument at the option of the counterparty, and if the enterprise classifies the above option as an equity instrument and recognizes it separately as an equity component of a compound financial instrument in accordance with the provisions of the Accounting Standard for Business Enterprises No. 37 - Presentation of Financial Instruments, such terms shall not affect the liquidity division of the liability.

The provisions of the Interpretation are effective from January 1, 2024. Enterprises shall adjust the comparable period information in accordance with the provisions of the Interpretation when first implementing the provisions of the Interpretation. The impact of the Company's implementation of this regulation are as follows:

Unit: RMB

Affected statement items	Consolidated Financial Statements		Parent Company Financial Statements	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Long-term borrowing	-6,671,294,800.65	-6,023,513,545.11	-350,000,000.00	-450,000,000.00
Non-current liabilities maturing within one year	6,671,294,800.65	6,023,513,545.11	350,000,000.00	450,000,000.00

In some loan agreements signed by the Company with banks, there are restrictive covenants that require the fulfillment of certain financial metrics. The Company regularly monitors compliance with these financial metrics. As of December 31, 2024, the carrying value of bank loans for which the financial covenants were not met amounted to RMB 6,713,194,800.65.

2) Disclosure of supplier financing arrangements

Interpretation No. 17 requires that when making disclosure of notes, an enterprise should summarize the information disclosed in relation to supplier financing arrangements in a manner that will assist the users of the statements in assessing the impact of those arrangements on the liabilities or cash flows of the enterprise and on the enterprise's exposure to liquidity risk. The impact of supplier financing arrangements should also be considered when identifying and disclosing the information on liquidity risk. This disclosure requirement applies only to supplier financing arrangements. Supplier financing arrangements refer to transactions with the following characteristics: one or more financing providers provide funds for an enterprise to make payments to its suppliers, and agree that the enterprise should repay the financing providers on or after the date of receipt of the payments by its suppliers, in accordance with the terms and conditions of the arrangements. Supplier financing arrangements extend the payment period for the enterprise or advance the collection period for the enterprise's suppliers compared to the original payment due date. The provisions of the Interpretation are effective from January 1, 2024. Enterprises are not required to disclose information related to comparable periods and certain information at the beginning of the period when first implementing the provisions of the Interpretation. The implementation of this regulation did not cause any impact on the Company's financial position and operating results.

② Implementation of the Interim Provisions on the Relevant Accounting Treatment for Data Resources of Enterprises

On August 1, 2023, the Ministry of Finance issued the Interim Provisions on the Relevant Accounting Treatment for Data Resources of Enterprises (CK [2023] No. 11), which apply to the relevant accounting treatment for data resources recognized as intangible assets, inventories or other assets in conformity with the relevant provisions of the Accounting Standards for Business Enterprises, and for data resources legally owned or controlled by an enterprise that are expected to generate economic benefits to the enterprise but have not been recognized as assets as they do not meet the relevant asset recognition criteria, and which put forward specific requirements for the disclosure of data resources.

The Provisions are effective from January 1, 2024. Enterprises should adopt the prospective application method, and the expenses related to data resources that have been expensed to profit or loss before the implementation of the Provisions will not be adjusted. The implementation of this regulation did not cause any impact on the Company's financial position and operating results.

③ Implementation of the provision on "accounting treatment of quality assurance that does not constitute a separate performance obligation" in the Interpretation No. 18 of Accounting Standards for Business Enterprises

On December 6, 2024, the Ministry of Finance issued the Interpretation No. 18 of the Accounting Standards for Business Enterprises (CK [2024] No. 24, hereinafter referred to as the "Interpretation No. 18"), which is effective from the date of issuance. Enterprises are allowed to implement such Interpretation earlier from the year of issuance.

The Interpretation No. 18 stipulates that in accounting for the estimated liabilities arising from quality assurance that does not constitute a separate performance obligation, the amount of estimated liabilities determined shall be debited to the account such as "cost of main business" or "cost of other business, and shall be credited to the account "estimated liabilities" in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 13 - Contingencies, and shall be presented correspondingly in the "operating costs" in the income statement and "other current liabilities", "non-current liabilities due within one year", "estimated liabilities" or other items in the balance sheet.

When first implementing this Interpretation, if the original provision of quality assurance is included in "selling and distribution expenses", an enterprise should make retrospective adjustments in accordance with the changes in accounting policies. The implementation of this regulation did not cause any impact on the Company's financial position and operating results.

(2) Changes in significant accounting estimates

☐Applicable ☒Not applicable

(3) Adjustments to the relevant items of the financial statements at the beginning of the current year when the new accounting standards are first applied from 2024

☒Applicable ☐Not applicable

Unit: RMB

Consolidated Financial Statements			
Items	December 31, 2023	January 1, 2024	Adjustment
Non-current liabilities maturing within one year	12,950,018,664.51	18,973,532,209.62	6,023,513,545.11
Long-term borrowing	68,744,980,218.23	62,721,466,673.12	-6,023,513,545.11
Parent Company Financial Statements			
Items	December 31, 2023	January 1, 2024	Adjustment
Non-current liabilities maturing within one year	2,233,202,167.73	2,683,202,167.73	450,000,000.00
Long-term borrowing	3,090,000,000.00	2,640,000,000.00	-450,000,000.00

VI. Taxation

1. Main tax types and tax rates

Tax type	Basis of tax assessment	Tax rate
VAT	The balance from output tax calculated on the basis of revenue from the sale of goods and taxable services calculated by tax laws deducting input tax deductible for current period shall be VAT payable	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 amount	The consumption tax of RMB 1.2/liter applies to the sale of fuel oil and diesel oil; RMB 1.52/liter applies to the sale of gasoline and naphtha.
Urban maintenance and construction tax	Levied on the basis of the actual VAT and consumption tax paid	5%, 7%
Enterprise income tax	Levied based on taxable income	See the table below for details
Property taxes	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%

Disclosure of information about taxpayers applying different enterprise income tax rates:

Name of 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 Fibers Co., Ltd.	15%
Jiangsu Zhonglu Technology Development Co., Ltd.	15%
Suzhou Suzhen Biological Engineering 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	Calculated according to the relevant regulations of the region where the business is conducted
Suzhou Tangnan Sewage Treatment Co., Ltd.	25%
Shenghong New Materials (Suqian) Co., Ltd.	25%
Jiangsu Reborn Technology Co., Ltd.	15%
Guowang Hi-Tech (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 and Chemical (Lianyungang) Co., Ltd.	25%
Shenghong Refining and Chemical (Lianyungang) Port Storage and Transportation Co., Ltd.,	25%
Shenghong Petrochemical (Singapore) International Co., Ltd.	Calculated according to the relevant regulations of the region where the business is conducted
Shenghong Shipping (Singapore) International Co., Ltd.	Calculated according to the relevant regulations of the region where the business is conducted
Shenghong Oils Sales Co., Ltd.	25%
Jiangsu Shenghong Petrochemical Sales Co., Ltd. (former name: Shenghong (Lianyungang) Oil Sales Co., Ltd.)	25%
Jiangsu Shengjing New Materials Co., Ltd.	25%
Jiangsu Hongwei Chemical Co., Ltd.	25%

Name of taxpayer	Income tax rate
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 Guanghong 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 & Design Institute Co., Ltd.	15%
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 Haigesi New Energy Co., Ltd. (former name: Hubei Haigesi New Energy Company Limited)	25%
Shenghong (Shanghai) New Material Technology Co., Ltd.	25%
Shenghong (Jiangsu) Advanced Materials Research Institute Co., Ltd.	25%
Shenghong New Energy (Suzhou) Co., Ltd.	25%
Suzhou Dongneng Innovation Technology Co., Ltd.	25%
Shenghong Petrochemical Group Shanghai New Materials Co., Ltd.	25%
Suzhou Shengze Market Management Co., Ltd.	25%

2. Tax preference

(1) Jiangsu Guowang High-tech Fiber Co., Ltd.

On November 6, 2023, Jiangsu Guowang High-tech Fiber Co., Ltd. obtained the hi-tech enterprise certificate with the number of GR202332001197 and the valid term of 3 years, approved by the Finance Department of Jiangsu Province, the Science and Technology Department of Jiangsu Province, and Jiangsu Provincial Tax Service, STA. From 2023 to 2025, it shall be entitled to income tax reduction at the rate of 15%.

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

On October 12, 2022, Jiangsu Zhonglu Technology Development Co., Ltd. obtained the hi-tech enterprise certificate with the number of GR202232000817 and the valid term of 3 years, approved by the Science and

Technology Department of Jiangsu Province, the Finance Department of Jiangsu Province, and Jiangsu Provincial Tax Service, STA. From 2022 to 2024, it shall be entitled to income tax reduction at the rate of 15%.

(3) Suzhou Shenghong Fibers Co., Ltd.

On November 19, 2024, Suzhou Shenghong Fibers Co., Ltd. obtained the hi-tech enterprise certificate with the number of GR202432005620 and the valid term of 3 years, approved by the Finance Department of Jiangsu Province, the Science and Technology Department of Jiangsu Province, and Jiangsu Provincial Tax Service, STA. From 2024 to 2026, it shall be entitled to income tax reduction at the rate of 15%.

(4) Suzhou Suzhen Bioengineering Co., Ltd.

On December 12, 2022, Suzhou Suzhen Bioengineering Co., Ltd. obtained the hi-tech enterprise certificate with the number of GR202232014670 and the valid term of 3 years, approved by the Finance Department of Jiangsu Province, the Science and Technology Department of Jiangsu Province, and Jiangsu Provincial Tax Service, STA. From 2022 to 2024, it shall be entitled to income tax reduction at the rate of 15%.

(5) Jiangsu Ganghong Fiber Co., Ltd.

On November 19, 2024, Jiangsu Ganghong Fiber Co., Ltd. obtained the hi-tech enterprise certificate with the number of GR202432005990 and the valid term of 3 years, approved by the Finance Department of Jiangsu Province, the Science and Technology Department of Jiangsu Province, and Jiangsu Provincial Tax Service, STA. From 2024 to 2026, it shall be entitled to income tax reduction at the rate of 15%.

(6) Jiangsu Reborn Technology Co., Ltd.

Jiangsu Reborn Technology Co., Ltd. obtained the hi-tech enterprise certificate with the number of GR202432005990 and the valid term of 3 years, approved by the Finance Department of Jiangsu Province, the Science and Technology Department of Jiangsu Province, and Jiangsu Provincial Tax Service, STA. From 2024 to 2026, it shall be entitled to income tax reduction at the rate of 15%.

(7) Guowang Hi-Tech (Suqian) Co., Ltd.

Guowang Hi-Tech (Suqian) Co., Ltd. obtained the hi-tech enterprise certificate with the number of GR202432005990 and the valid term of 3 years, approved by the Finance Department of Jiangsu Province, the Science and Technology Department of Jiangsu Province, and Jiangsu Provincial Tax Service, STA. From 2024 to 2026, it shall be entitled to income tax reduction at the rate of 15%.

(8) Jiangsu Sierbang Petrochemical Co., Ltd.

On November 19, 2024, Jiangsu Sierbang Petrochemical Co., Ltd. obtained the hi-tech enterprise certificate with the number of GR202432003787 and the valid term of 3 years, approved by the Finance Department of Jiangsu Province, the Science and Technology Department of Jiangsu Province, and Jiangsu Provincial Tax Service, STA. From 2024 to 2026, it shall be entitled to income tax reduction at the rate of 15%.

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

On December 24, 2024, Shenghong Refining and Chemical (Lianyungang) Co., Ltd. obtained the hi-tech enterprise certificate with the number of GRGR202432017492 and the valid term of 3 years, approved by the Finance Department of Jiangsu Province, the Science and Technology Department of Jiangsu Province, and Jiangsu Provincial Tax Service, STA. From 2024 to 2026, it shall be entitled to preferential income tax rate. As of December 31, 2024, Shenghong Refining and Chemical's accumulated uncovered loss was RMB 6.6 billion, and Shenghong Refining and Chemical is expected to be unable to make up the accumulated loss during the validity period of the hi-tech enterprise certificate from 2024 to 2026. According to the Company's prudent prediction of the future declaration for obtaining a hi-tech enterprise certificate, Shenghong Refining and Chemical adopted the handling method according to the provision reading "enterprises shall adopt the handling methods of 'making independent judgment, declaring for enjoyment and retaining the relevant materials for future reference' when enjoying enterprise income tax preferences set forth in Article 4 of the Measures for Handling Enterprise Income Tax Preferences. An enterprise shall, according to its operating condition and related tax provisions, independently determine whether it meets the conditions required for enterprise income tax preferences. Those who meet the conditions may independently calculate the tax deductions or exemptions according to the time listed in the Catalog, and enjoy tax incentives by filing enterprise income tax returns. Meanwhile, Shenghong Refining and Chemical shall, in accordance with the provisions of the Measures, collect and retain the relevant materials for future reference. It chose not to enjoy the tax incentives when filing the enterprise income tax returns for the year of 2024, 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 Article 87 of the Implementing Regulations of the Enterprise Income Tax Law, for Shenghong Refining and Chemical (Lianyungang) Port Storage and Transportation Co., Ltd., the enterprises engaged in the port, airport, railway, highway, urban public transportation, electricity and water conservancy and other projects as listed in the Catalogue of Public Infrastructure Projects for Preferential Enterprise Income Tax Treatment, the income from the investment and operation, from the tax year when such project has obtained the first income from putting into the commercial production and operation to the third year, the enterprise income tax is exempted, and in the following 3 years, the enterprise income tax is half exempted. Shenghong Refining and Chemical (Lianyungang) Port Storage and Transportation Co., Ltd. received its first production and operation income in 2021 and were exempted from enterprise income tax on the above-mentioned projects in 2021, 2022 and 2023, and in the following 3 years (2024, 2025 and 2026), the aforesaid enterprise income tax is half exempted.

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

On November 28, 2022, Liaoning Province Petroleum-chemical Industry Planning & Design Institute Co., Ltd. obtained the hi-tech enterprise certificate with the number of GR202221000723 and the valid term of 3 years, approved by the Finance Department of Liaoning Province, the Science and Technology Department of Liaoning Province, and Liaoning Provincial Tax Service, STA. From 2022 to 2024, it shall be entitled to income tax reduction at the rate of 15%.

(12) According to the Announcement on the Value-added Tax Super-deduction Policy for Advanced Manufacturing Enterprises issued by the Ministry of Finance and State Taxation Administration (Announcement of the Ministry of Finance and State Taxation Administration [2023] No.43), 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

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Cash on hand	9,053.74	9,157.98
Bank deposits	11,960,953,918.25	7,361,200,696.04
Other monetary funds	1,672,494,208.99	2,646,400,456.66
Unearned interest on term deposits	2,989,802.09	2,129,413.14
Total	13,636,446,983.07	10,009,739,723.82
Including: total amount of deposit abroad	223,889,211.99	148,365,709.87

Monetary funds restricted for use due to mortgage, pledge or freezing, or placed overseas with restrictions on fund repatriation are as follows:

Item	Balance as at December 31, 2024	Balance as at December 31, 2023
Bank acceptance bill deposit	135,888,004.96	263,171,324.98
L/C deposit	1,193,359,392.76	2,273,126,038.12
L/G deposit	117,350,107.00	58,228,472.00
Time deposits or call deposits used for guarantee	144,000,000.00	1,009,490,000.00
Others	36,064,916.22	19,366,840.05
Total	1,626,662,420.94	3,623,382,675.15

2. Financial assets held for trading

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Financial assets measured at fair	106,594,928.00	84,874,411.43

value through the current profit or loss		
Including: other equity instrument investments	74,183,711.94	73,750,917.76
Derivative financial assets	32,411,216.06	11,123,493.67
Total	106,594,928.00	84,874,411.43

3. Notes receivable

(1) Presentation of notes receivable by category

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Bank acceptance bills	97,777,618.59	307,173,337.74

(2) Provision, reversal or recovery of provision for bad debts in the current period

Provision for bad debts in the current period:

Unit: RMB

Type	Balance as at January 1, 2024	Increase or decrease in current period				Balance as at December 31, 2024
		Provision	Recovery or reversal	Charge-off	Combination increase	
Provision for bad debts of notes receivable			6,413.00		6,413.00	

Remark: The provision for bad debts was caused by the business combination not under common control in the current period.

In which, recovery or reversal with significant amount of provision for bad debts in the current period:

None

(3) Pledged notes receivable of the Company as at December 31, 2024

None

(4) Notes receivable of the Company as at December 31, 2024 that have been endorsed or discounted but not matured on the balance sheet date

Unit: RMB

Item	Amount derecognized as at December 31, 2024	Amount not derecognized as at December 31, 2024
Bank acceptance bills		87,900,128.26

(5) Notes receivable actually charged off in the current period

None

4. Accounts receivable

(1) Disclosure by aging

Unit: RMB

Aging	Book balance as at December 31, 2024	Book balance as at January 1, 2024
Within 1 year (including 1 year)	2,387,475,533.84	1,521,141,871.33
1 - 2 years	11,057,522.81	629,747.43

2 - 3 years	8,992,844.20	
Over 3 years	11,590,591.22	554,632.00
Sub-total	2,419,116,492.07	1,522,326,250.76
Less: provision for bad debts	91,414,042.21	43,001,470.49
Total	2,327,702,449.86	1,479,324,780.27

Remark: As for business combination not under common control in the current period, accounts receivable with aging for 2 - 3 years of RMB 8,991,853.07 and accounts receivable with aging over 3 years of RMB 11,035,959.22 were merged.

(2) Disclosure under the methods of provision for bad debts by category

Unit: RMB

Type	Balance as at December 31, 2024					Balance as at January 1, 2024				
	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	1.16%	27,985,698.50	100.00%						
Accounts receivable with provision for bad debts made by portfolio	2,391,130,793.57	98.84%	63,428,343.71	2.65%	2,327,702,449.86	1,522,326,250.76	100.00%	43,001,470.49	2.82%	1,479,324,780.27
Total	2,419,116,492.07	100.00%	91,414,042.21		2,327,702,449.86	1,522,326,250.76	100.00%	43,001,470.49		1,479,324,780.27

1) Important accounts receivable with individual provision for bad debts

None

2) Provision for bad debts made by portfolio

Unit: RMB

Item	Balance as at December 31, 2024		
	Book balance	Provision for bad debts	Proportion of provision
Related-party portfolio	45,805,375.25		
Aging portfolio	1,173,297,438.49	63,428,343.71	5.41%
Portfolio of high credit rating	82,650,349.42		
Portfolio of trade payment of overseas companies	1,089,377,630.41		
Total	2,391,130,793.57	63,428,343.71	

(3) Provision, recovery or reversal of provision for bad debts in the current period

Provision for bad debts in the current period:

Unit: RMB

Type	Balance as at January 1, 2024	Changes in 2024				Balance as at December 31, 2024
		Provision	Recovery or reversal	Charge-off	Increase due to business combination	
Provision for bad debts of accounts receivable	43,001,470.49	15,426,321.73			32,986,249.99	91,414,042.21
Total	43,001,470.49	15,426,321.73			32,986,249.99	91,414,042.21

Remark: The provision for bad debts was caused by the business combination not under common control in the current period.

In which, recovery or reversal with significant amount of provision for bad debts in the current period:

None

(4) Accounts receivable actually charged off in the current period

None

(5) Top 5 of accounts receivable as at December 31, 2024, presented by debtor

Unit: RMB

Enterprise name	Balance of accounts receivable as at December 31, 2024	Proportion in balance of accounts receivable	Provision for bad debts
Entity No.1	551,484,201.19	22.80%	
Entity No.2	537,893,429.22	22.24%	
Entity No.3	302,943,458.70	12.52%	15,147,172.94
Entity No.4	110,414,621.91	4.56%	5,520,731.10
Entity No.5	94,406,013.93	3.90%	4,720,300.70
Total	1,597,141,724.95	66.02%	25,388,204.74

5. Receivables financing**(1) Presentation of receivables financing by category**

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Bank acceptance bills	536,196,519.90	319,225,113.32
Total	536,196,519.90	319,225,113.32

(2) Changes in receivables financing and fair values thereof in the current period

Unit: RMB

Item	Balance as at December 31, 2023	Change in 2024	Balance as at December 31, 2024	Loss reserves accumulatively recognized in other comprehensive income
Bank acceptance bill receivable	319,225,113.32	216,971,406.58	536,196,519.90	

(3) Pledged receivable financing of the Company as at December 31, 2024

None

(4) Receivables financing endorsed or discounted by the Company as at December 31, 2024 but not expiring on the balance sheet date

Unit: RMB

Item	Amount derecognized as at December 31, 2024	Amount not derecognized as at December 31, 2024
Endorsed but not matured	774,756,460.45	
Discounted but not matured	1,413,896,823.00	
Total	2,188,653,283.45	

6. Advances to suppliers**(1) Advances to suppliers presented by aging**

Unit: RMB

Aging	Balance as at December 31, 2024		Balance as at January 1, 2024	
	Amount	Proportion	Amount	Proportion
Within 1 year	513,976,994.03	97.85%	854,472,746.98	97.48%
Over 1 year	11,304,650.18	2.15%	22,088,928.21	2.52%
Total	525,281,644.21	100%	876,561,675.19	100%

(2) Top 5 of advances to suppliers as at December 31, 2024, presented by supplier

Unit: RMB

Supplier	Balance as at December 31, 2024	Proportion in the total ending balance of advances to suppliers (%)
Entity No.1	112,365,783.60	21.39
Entity No.2	49,227,666.82	9.37
Entity No.3	45,072,491.32	8.58
Entity No.4	27,857,307.71	5.30
Entity No.5	21,393,609.11	4.07

Supplier	Balance as at December 31, 2024	Proportion in the total ending balance of advances to suppliers (%)
Total	255,916,858.56	48.71

7. Other receivables

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Other receivables	1,009,344,676.64	717,755,781.89
Total	1,009,344,676.64	717,755,781.89

(1) Interest receivable

None

(2) Dividends receivable

None

(3) Other receivables**1) Disclosure by aging**

Unit: RMB

Aging	Book balance as at December 31, 2024	Book balance as at January 1, 2024
Within 1 year (including 1 year)	623,576,806.39	703,715,684.69
1 - 2 years	390,828,318.53	16,621,280.16
2 - 3 years	1,162,727.01	5,080,396.86
Over 3 years	9,133,625.68	13,665,747.79
Sub-total	1,024,701,477.61	739,083,109.50
Less: provision for bad debts	15,356,800.97	21,327,327.61
Total	1,009,344,676.64	717,755,781.89

2) Disclosure of other receivables by category based on the method for provision for bad debts

Unit: RMB

Type	Balance as at December 31, 2024					Balance as at January 1, 2024				
	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	1,024,701,477.61	100.00%	15,356,800.97	1.50%	1,009,344,676.64	739,083,109.50	100.00%	21,327,327.61	2.89%	717,755,781.89
Total	1,024,701,477.61	100.00%	15,356,800.97		1,009,344,676.64	739,083,109.50	100.00%	21,327,327.61		717,755,781.89

Other important receivables with individual provision for bad debts

None

Provision for bad debts made by portfolios with credit risk characteristics:

Unit: RMB

Item	Balance as at December 31, 2024		
	Book balance	Provision for bad debts	Proportion of provision
Portfolio of receivables from the government	880,698,528.94		
Aging portfolio	144,002,948.67	15,356,800.97	10.66%
Total	1,024,701,477.61	15,356,800.97	

3) Provision for bad debts

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, 2024	21,327,327.61			21,327,327.61
Balance as at January 1, 2024 in the current period				
Reversal in 2014	6,374,131.24			6,374,131.24
Increase due to business combination	386,655.85			386,655.85
Other changes	16,948.75			16,948.75
Balance as at December 31, 2024	15,356,800.97			15,356,800.97

Changes in the book balance of other receivables:

Unit: RMB

Book balance	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, 2024	739,083,109.50			739,083,109.50
Balance as at January 1, 2024 in the current period				
Increased in 2024	285,618,368.11			285,618,368.11
Derecognized in 2024				
Other changes				
Balance as at December 31, 2024	1,024,701,477.61			1,024,701,477.61

4) Provision, recovery or reversal of provision for bad debts in the current period

Provision for bad debts in the current period:

Unit: RMB

Type	Balance as at January 1, 2024	Changes in 2024				Other changes	Balance as at December 31, 2024
		Provision	Recovery or reversal	Write-off or charge-off	Increase due to business combination		
Provision for bad debts of other receivables	21,327,327.61		6,374,131.24		386,655.85	16,948.75	15,356,800.97
Total	21,327,327.61		6,374,131.24		386,655.85	16,948.75	15,356,800.97

Remark: The provision for bad debts was caused by the business combination not under common control in the current period.

In which, reversal or recovery with significant amount of provision for bad debts in the current period

None

5) Other receivables actually charged off in the current period

None

6) Classification of other receivables by nature

Unit: RMB

Nature	Book balance as at December 31, 2024	Book balance as at January 1, 2024
Receivables from the government	880,698,528.94	669,362,486.74
Advances and current accounts	54,972,260.29	33,573,993.22
Various deposit and security deposit	87,153,742.46	35,881,181.33
Imprest	44,702.77	234,461.86
Others	1,832,243.15	30,986.35
Total	1,024,701,477.61	739,083,109.50

7) Top 5 of other receivables as at December 31, 2024, presented by debtor

Unit: RMB

Enterprise name	Nature of payment	Balance as at December 31, 2024	Aging	Proportion in the total amount of the ending balance of other receivables	Balance of provision for bad debts as at December 31, 2024
Entity No.1	Government grants receivable [Remark]	519,047,862.19	1 - 2 years	50.65%	
Entity No.2	Tax rebates receivable	211,205,293.14	1 - 2 years	20.61%	
Entity No.3	Transfer from government assets receivable	150,445,373.61	Within 1 year	14.68%	
Entity No.4	Deposit and security deposit	63,050,000.00	Within 1 year	6.15%	3,152,500.00

Enterprise name	Nature of payment	Balance as at December 31, 2024	Aging	Proportion in the total amount of the ending balance of other receivables	Balance of provision for bad debts as at December 31, 2024
Entity No.5	Deposit and security deposit	15,000,000.00	Within 1 year	1.46%	750,000.00
Total		958,748,528.94		93.55%	3,902,500.00

Remark: According to the "Supplementary Agreement on the 1.2 Million Tons of Olefin Project and the 1.5 Million Tons of PTA Project" signed by the Management Committee of the National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) (formerly known as Lianyungang Xuwei New Area Management Committee, hereinafter referred to as the "Management Committee") and Shenghong Group Limited (hereinafter referred to as "Shenghong Group") on November 29, 2010, the Management Committee agreed to provide Shenghong Group and its affiliated enterprises with relevant preferential policies to support the implementation of the olefin and PTA projects in the development zone. In accordance with the Minutes of the Special Meeting on the Implementation of Shenghong Group's Relevant Tax Preferential Policies (2023 No.83) issued by the Management Committee in September 2023 and the subsequent Explanation on the Return of Economic Contribution by Sierbang Petrochemical, Jiangsu Sierbang Petrochemical Co., Ltd. has met the conditions required by the Management Committee for the economic contribution return subsidy, namely, the unconditional right to receive the economic contribution return subsidy allocation. The Management Committee is required to return a total of RMB 226.9881 million to the Company. The above-mentioned economic contribution return subsidy will be returned to Jiangsu Sierbang Petrochemical Co., Ltd. within 5 years (i.e., from 2024 to 2028). As at December 31, 2024, the payment payable by the Management Committee to the company amounted to RMB 182.4905 million.

According to the circular of the Management Committee of National Eastern-Central-Western Regional Cooperation Demonstration Zone (Xuwei New Area, Lianyungang) (formerly known as Lianyungang Xuwei New Area Management Committee, hereinafter referred to as the "Management Committee") on issuing the "Opinions on Several Policies for Accelerating Port-surrounding Leading industries in Xuwei New Area" (SFQF [2017] No.72), Xuwei New Area shall annually appropriate certain financial resources to reward leading projects with high investment intensity, high industrial correlation, strong driving ability, and conforming to the industrial development plan in the new area and making great contributions to the economy of the new area. Industrial projects with more than RMB 30.0 billion (inclusive) of cumulative investments in fixed assets shall be awarded by stages at the 40% of the economic contributions brought by those projects to the new area. The aforesaid award shall be implemented for five (5) years as of the date when such project has been operated (as for the project carried out by stages, as of the date when the first stage of project has been operated). According to the "Supplementary Agreement for Shenghong Refining & Chemical Integration Project" entered into by and between Shenghong Refining & Chemical and the Management Committee on November 7, 2018, when such project has been operated, the 40% of the economic contribution brought by the production and management of such project to the finance department of the Management Committee shall be awarded to Shenghong Refining & Chemical by stages, which shall be implemented for five (5) years from the year when such project has been operated upon completion. According to the "Opinions on the Economic Contribution Award to Shenghong Refining & Chemical (Lianyungang) Co., Ltd." jointly issued by the Investment Service Center of Lianyungang Xuwei New Area, the Economic Development Bureau of the National East-Central-West Regional Cooperation Demonstration Zone (Lianyungang Xuwei New Area) and the Finance Bureau of the National East-Central-West Regional Cooperation Demonstration Zone (Lianyungang Xuwei New Area), after auditing, from December 1, 2022 - December 31, 2024, the economic contributions made by Shenghong Refining & Chemical to Xuwei New Area amounted to RMB 841.3933 million; thus, the awards the Management Committee shall grant to such company amount to RMB 336.55732 million. The specific award shall be paid within five (5) years according to the financial situation of Xuwei New Area. As at December 31, 2024, the payment payable by the Management Committee to the company amounted to RMB 336.55732 million.

and in accordance with the investment agreement, the Management Committee grants financial rewards to Shenghong Refining & Chemical. As of December 2024, both parties to the agreement have reached a consensus that the financial rewards will be calculated starting from December 2022 and will cumulatively meet the conditions specified in the document, amounting to a total of RMB 336.557320 million for Shenghong Refining & Chemical. The specific rewards will be paid over five years based on the financial situation of the Management

Committee. As of December 31, 2024, the Management Committee still needs to return RMB 336.55732 million to the company.

8. Inventories

(1) Classification of inventories

Unit: RMB

Item	Balance as at December 31, 2024			Balance as at January 1, 2024		
	Book balance	Provision for inventory depreciation	Book value	Book balance	Provision for inventory depreciation	Book value
Raw materials	7,468,948,170.98	449,776.49	7,468,498,394.49	8,671,221,942.41	199,070,888.18	8,472,151,054.23
Goods in process and semi-finished products	1,090,421,794.06	2,870,861.19	1,087,550,932.87	1,579,264,007.42	85,353,616.65	1,493,910,390.77
Stock commodities	5,888,076,009.95	120,902,762.45	5,767,173,247.50	5,658,489,219.00	312,520,835.46	5,345,968,383.54
Contract performance cost	907,500.26		907,500.26			
Commodities dispatched	247,635,885.82		247,635,885.82	388,552,972.10		388,552,972.10
Materials for consigned processing	362,645.22		362,645.22			
Materials in transit	2,301,090,618.85		2,301,090,618.85	2,546,478,191.61	38,866,524.39	2,507,611,667.22
Total	16,997,442,625.14	124,223,400.13	16,873,219,225.01	18,844,006,332.54	635,811,864.68	18,208,194,467.86

(2) Provision for inventory depreciation and provision for impairment of contract performance costs

Unit: RMB

Item	Balance as at January 1, 2024	Increase in 2024		Decrease in 2024		Balance as at December 31, 2024
		Provision	Combination increase	Reversal or write-off	Others	
Raw materials	199,070,888.18	-7,669,818.02	577,174.30	191,528,467.97		449,776.49
Goods in process and semi-finished products	85,353,616.65	81,824,481.50		164,307,236.96		2,870,861.19
Stock commodities	312,520,835.46	636,699,802.29	4,374,267.80	832,692,143.10		120,902,762.45
Materials in transit	38,866,524.39			38,866,524.39		
Total	635,811,864.68	710,854,465.77	4,951,442.10	1,227,394,372.42		124,223,400.13

Remark: The increase in inventory depreciation was caused by the business combination not under common control in the current period.

(3) Description of ending balance of inventories containing the capitalization amount of borrowing costs

None

9. Other current assets

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Value-added tax retained	1,607,183,420.00	490,264,517.09
Input VAT to be certified	150,479,686.78	91,426,718.01
Prepayment of income tax and other taxes	56,126,224.62	204,028,864.46

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Total	1,813,789,331.40	785,720,099.56

10. Long-term equity investments

Unit: RMB

Investee	Balance (Book value) as at January 1, 2024	Balance of provision for impairment as at January 1, 2024	Increases/decreases in 2024								Balance (Book value) as at December 31, 2024	Balance of provision for impairment as at December 31, 2024
			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												
Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.	1,760,223.34				-5,332,321.89					3,572,098.55		
Tianjiao Technology Venture Capital Co., Ltd.	21,008,984.26				252,358.66						21,261,342.92	
Suzhou Wujiang CNPC Kunlun Gas Co., Ltd.	54,333,864.92			53,900,000.00	343,355.11			777,220.03				
Lianyungang Fanghong Port Storage and Transportation Co., Ltd.	5,748,616.09				-162,393.08					-5,586,223.01		
Tianjin Polytechnic University Textile Auxiliaries Co., Ltd.					4,533,394.99					58,836,687.09	63,370,082.08	
Lianyungang Petrochemical Industry Base Energy Trading Services Co., Ltd.			5,925,000.00		1,091.48						5,926,091.48	
Sanwei Banghai Petrochemical Engineering Co., Ltd.										3,000,000.00	3,000,000.00	3,000,000.00
Total	82,851,688.61		5,925,000.00	53,900,000.00	-364,514.73			777,220.03		59,822,562.63	93,557,516.48	3,000,000.00

11. Other equity instrument investments

Unit: RMB

Project	Balance as at December 31, 2024	Balance as at January 1, 2024	Gains included in other comprehensive income in 2024	Losses included in other comprehensive income in 2024	Cumulative gains included in other comprehensive income as at December 31, 2024	Cumulative losses included in other comprehensive income as at December 31, 2024	Dividend income recognized in 2024	Reason for being designated as the item measured at fair value through other comprehensive income
Investment in equities of Goldstate Securities Co., Ltd.	584,422,540.00	582,098,160.00	2,324,380.00		91,922,540.00			The investment is held by the Company for long-term strategy
Total	584,422,540.00	582,098,160.00	2,324,380.00		91,922,540.00			

12. Investment properties**(1) Investment properties measured at cost**

Unit: RMB

Item	Buildings and constructions	Land use right	Total
I. Original book value			
1. Balance as at January 1, 2024	691,058,408.06	400,218,272.54	1,091,276,680.60
2. Increase in 2024	54,450.04		54,450.04
(1) Outsourcing			
(2) Transfer-in of inventories/fixed assets/construction in progress			
(3) Increase due to business combination			
(4) Others	54,450.04		54,450.04
3. Decrease in 2024			
(1) disposal			
(2) Other transfers			
4. Balance as at December 31, 2024	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, 2024	267,307,976.18	159,526,882.58	426,834,858.76
2. Increase in 2024	24,167,491.51	14,554,923.52	38,722,415.03
(1) Provision or amortization	24,154,859.11	14,554,923.52	38,709,782.63
(2) Others	12,632.40		12,632.40
3. Decrease in 2024			
(1) Disposal			
(2) Other transfers			
4. Balance as at December 31, 2024	291,475,467.69	174,081,806.10	465,557,273.79
III. Provision for impairment			
1. Balance as at January 1, 2024			
2. Increase in 2024			
(1) Provision			
3. Decrease in 2024			
(1) Disposal			
(2) Other transfers			
4. Balance as at December			

Item	Buildings and constructions	Land use right	Total
31, 2024			
IV. Book value			
1. Book value as at December 31, 2024	399,637,390.41	226,136,466.44	625,773,856.85
2. Book value as at January 1, 2024	423,750,431.88	240,691,389.96	664,441,821.84

(2) Investment properties with pending certificate of title

None

13. Fixed assets**(1) Fixed assets and disposal of fixed assets**

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Fixed assets	127,298,464,476.19	123,427,551,751.16
Disposal of fixed assets		
Total	127,298,464,476.19	123,427,551,751.16

(2) Breakdown of fixed assets

Unit: RMB

Item	Buildings and constructions	Machinery equipment	Transportation facilities	Office and other equipment	Total
I. Original book value:					
1. Balance as at January 1, 2024	41,490,617,176.29	95,528,115,748.10	182,462,894.05	4,861,541,744.87	142,062,737,563.31
2. Increase in 2024	3,311,995,838.66	7,289,093,350.94	40,975,420.96	647,950,444.86	11,290,015,055.42
(1) Purchase	4,556,032.15	77,333,679.15	33,519,584.40	393,807,129.73	509,216,425.43
(2) Transfer-in of construction in progress	2,721,706,457.23	6,857,336,515.29	4,339,218.28	215,025,679.58	9,798,407,870.38
(3) Increase due to business combination	585,337,597.51	354,421,363.34	3,116,618.28	39,048,657.93	981,924,237.06
(4) Others	395,751.77	1,793.16		68,977.62	466,522.55
3. Decrease in 2024	185,753,479.39	76,694,839.60	4,430,691.67	319,362,253.96	586,241,264.62
(1) Disposal or scrapping	185,292,380.30	76,694,839.60	4,430,691.67	319,360,460.80	585,778,372.37
(2) Other transfers	461,099.09			1,793.16	462,892.25
4. Balance as at December 31, 2024	44,616,859,535.56	102,740,514,259.44	219,007,623.34	5,190,129,935.77	152,766,511,354.11
II. Accumulated depreciation					

Item	Buildings and constructions	Machinery equipment	Transportation facilities	Office and other equipment	Total
1. Balance as at January 1, 2024	3,866,997,937.33	13,338,180,659.11	82,672,129.98	1,006,367,336.57	18,294,218,062.99
2. Increase in 2024	1,431,165,941.95	5,055,929,704.94	33,947,285.35	577,041,234.04	7,098,084,166.28
(1) Provision	1,414,140,011.85	5,019,056,205.26	32,295,528.16	570,934,486.46	7,036,426,231.73
(2) Increase due to business combination	17,025,930.10	36,870,226.37	1,651,757.19	6,040,993.92	61,588,907.58
(3) Others		3,273.31		65,753.66	69,026.97
3. Decrease in 2024	56,331,876.06	33,952,945.34	2,759,094.79	172,179,184.32	265,223,100.51
(1) Disposal or scrapping	56,319,243.66	33,952,945.34	2,759,094.79	172,175,911.01	265,207,194.80
(2) Other transfers	12,632.40			3,273.31	15,905.71
4. Balance as at December 31, 2024	5,241,832,003.22	18,360,157,418.71	113,860,320.54	1,411,229,386.29	25,127,079,128.76
III. Provision for impairment					
1. Balance as at January 1, 2024	29,974,546.99	310,862,119.51	97,160.87	33,921.79	340,967,749.16
2. Increase in 2024					
(1) Provision					
3. Decrease in 2024					
(1) Disposal or scrapping					
4. Balance as at December 31, 2024	29,974,546.99	310,862,119.51	97,160.87	33,921.79	340,967,749.16
IV. Book value					
1. Book value as at December 31, 2024	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. Book value as at January 1, 2024	37,593,644,691.97	81,879,072,969.48	99,693,603.20	3,855,140,486.51	123,427,551,751.16

(3) Fixed assets with pending certificates of title

Unit: RMB

Item	Book value	Reason for pending certificate of title
Buildings and constructions, etc.	2,832,114,904.95	In process

14. Construction in progress**(1) Construction in progress and project materials**

Unit: RMB

Item	Balance as at December 31, 2024			Balance as at January 1, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Construction in progress	24,173,981,856.22	16,499,120.57	24,157,482,735.65	17,701,862,482.72		17,701,862,482.72
Project materials	869,341,730.13		869,341,730.13	538,134,165.17		538,134,165.17
Total	25,043,323,586.35	16,499,120.57	25,026,824,465.78	18,239,996,647.89		18,239,996,647.89

(2) Construction in progress

Unit: RMB

Item	Balance as at December 31, 2024			Balance as at January 1, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Reborn Technology recycled differentiated and functional polyester filament yarn and supporting stretching project with an annual production capacity of 250,000 tons (Phase II)	722,538,602.85		722,538,602.85	1,461,187,782.20		1,461,187,782.20
Guowang (Suqian) Super simulation functional fiber project with an annual production capacity of 500,000 tons	97,186,913.75		97,186,913.75	1,138,579,485.02		1,138,579,485.02
Guowang (Suqian) Super simulation functional fiber project with an annual production	328,396,862.30		328,396,862.30	196,227,589.85		196,227,589.85

Item	Balance as at December 31, 2024			Balance as at January 1, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
capacity of 500,000 tons (Phase II)						
Sierbang Petrochemical Propane Industry Chain Project Phase II	213,606.70		213,606.70	1,936,797,818.21		1,936,797,818.21
Hongwei Chemical POSM and Polyol Project	3,627,047,702.46		3,627,047,702.46	1,979,142,904.17		1,979,142,904.17
Hongjing new material project	10,179,281,315.24		10,179,281,315.24	4,369,950,497.82		4,369,950,497.82
Hongke new material Biodegradable materials project (Phase I)	306,381,964.79	16,499,120.57	289,882,844.22	228,011,078.06		228,011,078.06
Honggang Petrochemical Polyester new material project	1,288,773,919.25		1,288,773,919.25	831,819,892.26		831,819,892.26
Honggang Petrochemical PTA Project Phase III with an annual production capacity of 2,400,000 tons	3,469,843,372.61		3,469,843,372.61	394,446,508.89		394,446,508.89
Haigesi New Energy Iron phosphate and lithium iron phosphate new energy materials project	159,396,876.31		159,396,876.31	95,113,888.50		95,113,888.50
1.00 Million Tons/Year Acetic Acid Project	576,281,254.10		576,281,254.10	42,007,255.83		42,007,255.83
Rongtai Chemical Warehousing Phase V	1,174,241,720.54		1,174,241,720.54	508,968,052.46		508,968,052.46
Others	2,244,397,745.32		2,244,397,745.32	4,519,609,729.45		4,519,609,729.45

Item	Balance as at December 31, 2024			Balance as at January 1, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Total	24,173,981,856.22	16,499,120.57	24,157,482,735.65	17,701,862,482.72		17,701,862,482.72

(3) Changes in important construction in progress in the current period

Unit: RMB

Project	Budget amount (RMB '0,000)	Balance as at January 1, 2024	Increase in 2024	Amount transferred in fixed assets in 2024	Other decrease s in 2024	Balance as at December 31, 2024	Proportion of accumulative project investments in budget	Project progress	Accumulated capitalized amount of interest	Including: capitalized amount of interest in 2024	Capitalization rate of interest in the current period (%)	Source of funds
Reborn Technology recycled differentiated and functional polyester filament yarn and supporting stretching project with an annual production capacity of 250,000 tons (Phase II)	265,687.50	1,461,187,782.20	93,646,919.74	832,296,099.09		722,538,602.85	96.20%	Partial operation	80,075,910.25	12,470,895.86	4.42%	Self-owned fund + special loans
Guowang (Suqian) Super simulation functional fiber project with an annual production capacity of 500,000 tons	388,205.10	1,138,579,485.02	23,392,303.68	1,064,784,874.95		97,186,913.75	105.19%	Put into operation	89,810,085.59			Self-owned fund + special loans
Guowang (Suqian) Super simulation	353,794.00	196,227,589.85	257,360,635.28	125,191,362.83		328,396,862.30	15.20%	Under construction				Self-owned fund + Borrowing

Project	Budget amount (RMB '0,000)	Balance as at January 1, 2024	Increase in 2024	Amount transferred in fixed assets in 2024	Other decrease s in 2024	Balance as at December 31, 2024	Proportion of accumulativ e project investments in budget	Project progress	Accumulated capitalized amount of interest	Including: capitalized amount of interest in 2024	Capitalizatio n rate of interest in the current period (%)	Source of funds
functional fiber project with an annual production capacity of 500,000 tons (Phase II)												
Sierbang Petrochemical Propane Industry Chain Project Phase II	227,135.26	1,936,797,818.21	14,251,415.85	1,950,835,627.36		213,606.70	85.90%	Put into operation				Self- owned fund
Hongwei Chemical POSM and Polyol Project	603,412.00	1,979,142,904.17	1,647,904,798.29			3,627,047,702.46	66.92%	Partial operation	89,481,000.10	68,539,204.29	3.64%	Self- owned fund + special loans
Hongjing new material project	1,558,082.41	4,369,950,497.82	6,104,402,710.50	295,071,893.08		10,179,281,315.24	74.20%	Partial operation	313,758,667.20	199,071,217.02	2.99%	Self- owned fund + special loans
Hongke new material Biodegradable materials project (Phase I)	648,188.56	228,011,078.06	78,370,886.73			306,381,964.79	4.91%	Suspended				Self- owned fund + Borrowin g
Honggang Petrochemical Polyester new material	137,898.52	831,819,892.26	499,792,058.54	42,838,031.55		1,288,773,919.25	111.16%	Partial operation	17,519,519.13	16,839,905.35	3.85%	Self- owned fund + special loans

Project	Budget amount (RMB '0,000)	Balance as at January 1, 2024	Increase in 2024	Amount transferred in fixed assets in 2024	Other decreases in 2024	Balance as at December 31, 2024	Proportion of accumulative project investments in budget	Project progress	Accumulated capitalized amount of interest	Including: capitalized amount of interest in 2024	Capitalization rate of interest in the current period (%)	Source of funds
project												
Honggang Petrochemical PTA Project Phase III with an annual production capacity of 2,400,000 tons	393,819.00	394,446,508.89	3,075,396,863.72			3,469,843,372.61	108.13%	Under construction	33,747,502.51	32,869,445.50	4.85%	Self-owned fund + special loans
Haigesi New Energy Iron phosphate and lithium iron phosphate new energy materials project	1,539,971.03	95,113,888.50	64,282,987.81			159,396,876.31	1.24%	Under construction				Self-owned fund
1.00 Million Tons/Year Acetic Acid Project	385,249.77	42,007,255.83	534,273,998.27			576,281,254.10	19.51%	Under construction				Self-owned fund
Rongtai Chemical Warehousing Phase V	260,181.00	508,968,052.46	665,273,668.08			1,174,241,720.54	51.00%	Under construction	28,515,390.30	25,027,906.96	4.30%	Self-owned fund + special loans
Total		13,182,252,753.27	13,058,349,246.49	4,311,017,888.86		21,929,584,110.90			652,908,075.08	354,818,574.98		

(4) Provision for impairment of construction in progress in the current period

Unit: RMB

Item	Balance as at January 1, 2024	Increase/decrease in 2024			Balance as at December 31, 2024	Reason for provision
		Provision	Transfer-out	Others		
Biodegradable material project (Phase I) of Hongke New Material		16,499,120.57			16,499,120.57	[Remark]

Remark: The Company disclosed an announcement on October 31, 2024, suspended the subsequent construction of the Hongke New Materials Degradable Materials Project (Phase I).

(5) Impairment test of construction in progress

1) Relevant information on construction in progress:

The Company held the 21th meeting of the 9th Board of Directors on October 30, 2024, adopting upon deliberation the "Proposal on the Subsidiary's Suspension of the Implementation of Degradable Materials Project (Phase I)" and the "Proposal on the Write-off of Company Assets". The Company agreed Lianyungang Hongke New Materials Co., Ltd., a three-tiered subsidiary to suspend the implementation of degradable materials project (Phase I) ("the Project"), and authorized the president of the Company to restart the Project at an appropriate time, depending on the external environment, market demand and its operating conditions.

The Project now stays at the pre-construction phase. According to the actual development plan and in combination with the market changes, the Company has re-studied and re-evaluated the Project, in line with the principle of prudence, the Company plans to suspend the follow-up construction of the degradable material project (phase I).

2) Effect of the impairment test of construction in progress

On December 31, 2024, the Company made the impairment test on the construction in progress with the impairment indication, and determined the recoverable amount of the construction in progress at net amount of fair value less the disposal cost.

Unit: RMB

Item	Book value	Recoverable amount	Impaired amount	Method for determining the fair value and disposal cost	Key parameter	Determination basis of key parameter
Biodegradable material project (Phase I) of Hongke New Material	306,381,964.79	289,882,844.22	16,499,120.57	The fair value is determined using the cost method. Disposal costs mainly include transaction fees, relevant taxes, and other expenses	Replacement cost, disposal costs	Based on the minimum market value of reconstructing similar assets, by means of the cost approach. The disposal cost is based on publicly available market quotes

15. Right-of-use assets

Unit: RMB

Item	Buildings and constructions	Transportation facilities	Total
I. Original book value			
1. Balance as at January 1, 2024	1,627,984,608.47		1,627,984,608.47
2. Increase in 2024	419,205,256.01	1,358,554,210.96	1,777,759,466.97
(1) New leases	418,872,860.87	1,358,421,916.16	1,777,294,777.03
(2) Increase due to business combination			
(3) Adjustment upon reevaluation			
(4) Others	332,395.14	132,294.80	464,689.94
3. Decrease in 2024	17,381,322.41		17,381,322.41
- Transferred to fixed assets			
- Disposal	17,381,322.41		17,381,322.41
4. Balance as at December 31, 2024	2,029,808,542.07	1,358,554,210.96	3,388,362,753.03
II. Accumulated depreciation			
1. Balance as at January 1, 2024	193,473,665.84		193,473,665.84
2. Increase in 2024	116,902,668.04	7,075,800.11	123,978,468.15
(1) Provision	116,661,474.40	7,075,111.08	123,736,585.48
(2) Others	241,193.64	689.03	241,882.67
3. Decrease in 2024	12,361,988.14		12,361,988.14
(1) Disposal	12,361,988.14		12,361,988.14
4. Balance as at December 31, 2024	298,014,345.74	7,075,800.11	305,090,145.85
III. Provision for impairment			
1. Balance as at January 1, 2024			
2. Increase in 2024			
(1) Provision			
3. Decrease in 2024			
(1) Disposal			
4. Balance as at December 31, 2024			
IV. Book value			
1. Book value as at December 31, 2024	1,731,794,196.33	1,351,478,410.85	3,083,272,607.18
2. Book value as at January 1, 2024	1,434,510,942.63		1,434,510,942.63

16. Intangible assets**(1) Breakdowns of intangible assets**

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, 2024	5,168,813,254.49	59,480,000.00	133,175,925.50	165,524,024.50	1,589,796.76	5,528,583,001.25
2. Increase in 2024	59,791,515.15	2,554,368.93	73,813,835.90	7,046,624.00		143,206,343.98
(1) Purchase	6,917,800.46	582,524.27	33,917,883.30	3,068,175.00		44,486,383.03
(2) Internal R&D						
(3) Increase due to business combination	52,873,714.69	1,971,844.66	12,749,467.86	3,978,449.00		71,573,476.21
(4) Transfer-in of construction in progress			27,146,484.74			27,146,484.74
3. Decrease in 2024				12,685,900.00		12,685,900.00
(1) Disposal				12,685,900.00		12,685,900.00
4. Balance as at December 31, 2024	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
II. Accumulated amortization						
1. Balance as at January 1, 2024	559,748,345.64	27,763,779.59	42,361,155.76	2,825,065.67	516,683.95	633,215,030.61
2. Increase in 2024	108,025,140.69	3,515,041.47	26,809,150.30	4,084,707.99	158,979.68	142,593,020.13
(1) Provision	104,372,335.00	3,194,563.98	23,012,283.16	4,084,707.99	158,979.68	134,822,869.81
(2) Increase due to business combination	3,652,805.69	320,477.49	3,796,867.14			7,770,150.32
3. Decrease in 2024				2,931,324.66		2,931,324.66
(1) Disposal				2,931,324.66		2,931,324.66

Item	Land use right	Patent right	Software	Concessions (emission rights, coal replacement volume targets and sea area use rights)	Others	Total
4. Balance as at December 31, 2024	667,773,486.33	31,278,821.06	69,170,306.06	3,978,449.00	675,663.63	772,876,726.08
III. Provision for impairment						
1. Balance as at January 1, 2024						
2. Increase in 2024						
(1) Provision						
3. Decrease in 2024						
(1) Disposal						
4. Balance as at December 31, 2024						
IV. Book value						
1. Book value as at December 31, 2024	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. Book value as at January 1, 2024	4,609,064,908.85	31,716,220.41	90,814,769.74	162,698,958.83	1,073,112.81	4,895,367,970.64

(2) Land use right with pending certificate of title

None

17. Goodwill**(1) Original book value of goodwill**

Unit: RMB

Name of the investee or matters forming goodwill	Balance as at January 1, 2024	Increase in 2024		Decrease in 2024		Balance as at December 31, 2024
		Amount formed through business combination	Others	Disposal	Others	
Original book value						
Counter purchase	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	1,008,696,223.14	44,502,639.86				1,053,198,863.00
Provision for impairment						
Counter purchase	316,637,709.90					316,637,709.90
Business combination not under common control						
Sub-total	316,637,709.90					316,637,709.90
Book value	692,058,513.24	44,502,639.86				736,561,153.10

(2) Composition of the asset group or portfolio of asset groups to which the goodwill belongs and information on the operating segments to which it belongs

The composition of the asset groups or portfolios of assets groups subject to goodwill impairment testing is as follows:

1) The Company completed a material asset restructuring in August 2018, accounted for as a reverse purchase. The long-term assets (including fixed assets, investment real estate, intangible assets, construction in progress) of the operating room rental business and the thermal power unit business are the asset groups forming the goodwill, which are consistent with the asset groups determined on the purchase date.

The recoverable values of the asset groups of the business premises leasing business and the thermal power plant business respectively applied the Asset Appraisal Report of Jiangsu Eastern Shenghong Co., Ltd. on the Recoverable Value of the Asset Group of Business Premises of Jiangsu Eastern Shenghong Co., Ltd. in Connection with the Impairment Test of Goodwill Formed by the Consolidation of Jiangsu Guowang High-tech Fiber Co., Ltd. (DZPBZ [2025] No.0566) issued on March 21, 2025 and the Asset Appraisal Report of Jiangsu Eastern Shenghong Co., Ltd. on the Recoverable Value of the Asset Group of Long-term Assets of Thermal Power Plants of Jiangsu Eastern Shenghong Co., Ltd. in connection with the Impairment Test of Goodwill Formed by the Consolidation of Jiangsu Guowang High-tech Fiber Co., Ltd. (DZPBZ [2025] No.0709) issued on March 21, 2025 by Shanghai Orient Appraisal Co., Ltd..

2) The Company purchased Liaoning Province Petroleum-chemical Industry Planning & Designing Institute Co., Ltd. in September 2024, the overall business of such company was to form an asset group related to goodwill and such asset group consisted with the asset group determined on the purchase date. The recoverable value of the asset group was determined by reference to the appraisal result of the Asset Appraisal Report of Jiangsu Shenghong Petrochemical Industry Group Co., Ltd. on the Recoverable Value of the Asset Group of Goodwill in Connection with the Impairment Test of Goodwill Formed by the purchase of Liaoning Province Petroleum-chemical Industry Planning & Designing Institute Co., Ltd. (JZPBZ [2025] No.0179) issued on April 10, 2025 by Jinzheng (shanghai) Appraisal Co., Ltd..

(3) Procedures for and key parameters of goodwill impairment test, and recognition method of goodwill impairment loss

1) Asset group of business premises

The recoverable amount of the asset group is mainly assessed using the market method. According to the geographical location of the asset group and the activity of the market, some real estate transaction instances with similar conditions or the same value in use are selected for comparison in terms of transaction conditions, transaction date, real estate conditions and other conditions, and are modified and adjusted to calculate the recoverable amount of the asset group.

2) Asset group of thermal power plants

The discounted cash flow model is used to assess the recoverable amount of the asset group. The estimated cash flows for future years are calculated based on the information on contracts in hand, orders and target customers provided by the Management of the evaluated entity as well as the forecast table of future income, costs and expenses. Use a discount rate of 7.712% to estimate the present value of the expected future cash flows and calculate the recoverable amount of the asset group.

3) Asset group of Liaoning Province Petroleum-chemical Industry Planning & Designing Institute Co., Ltd.

Asset group of long-term operating assets of Liaoning Province Petroleum-chemical Industry Planning & Designing Institute Co., Ltd. The discounted cash flow model is used to assess the recoverable amount of the asset group. The estimated cash flows for future years are calculated based on the information on contracts in hand, orders and target customers provided by the Management of the evaluated entity as well as the forecast table of future income, costs and expenses. Use a discount rate of 9.60% to estimate the present value of the expected future cash flows and calculate the recoverable amount of the asset group.

(4) Effect of goodwill impairment test

On December 31, 2024, the Company performed a further impairment test on the asset groups with relevance to the goodwill at the end of the period. Results of impairment testing are as follows:

As at December 31, 2024	Asset group of business premises	Asset group of thermal power plants	Asset group of Liaoning Province Petroleum-chemical Industry Planning & Designing Institute Co., Ltd.
Book balance of goodwill ①	319,915,535.18	688,780,687.96	44,502,639.86
Balance of provision for goodwill impairment ②	316,637,709.90		
Book value of goodwill ③=①-②	3,277,825.28	688,780,687.96	44,502,639.86
Unrecognized value of goodwill attributable to minority equity ④			21,434,523.32
Value including unrecognized value of goodwill attributable to minority equity ⑤=④+③	3,277,825.28	688,780,687.96	65,937,163.18
Book value of asset groups ⑥	625,868,767.90	377,767,673.53	851,768.75
Value including the book value of asset groups containing overall goodwill ⑦=⑤+⑥	629,146,593.18	1,066,548,361.49	66,788,931.93
Recoverable amount of asset group ⑧	1,056,723,300.00	1,756,000,000.00	79,700,000.00
Loss of goodwill impairment (> 0) ⑨=⑦-⑧			
Total			

As a result of the above tests, there was no further impairment in the Company's goodwill as at December 31, 2024.

18. Long-term deferred expenses

Unit: RMB

Item	Balance as at January 1, 2024	Increase due to business combination in 2024	Increase in 2024	Amortization in 2024	Other decreases	Balance as at December 31, 2024
Others	1,412,795.02	1,647,604.20	1,344,566.11	1,926,724.53		2,478,240.80

19. Deferred income tax assets / deferred income tax liabilities

(1) Deferred income tax assets before offset

Unit: RMB

Item	Balance as at December 31, 2024		Balance as at January 1, 2024	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for asset impairment	327,402,877.65	58,095,670.40	857,506,763.08	183,983,606.13
Unrealized profits or losses of internal transactions	76,998,074.87	17,014,691.41	59,764,892.63	13,396,207.99
Provision for credit impairment	102,970,149.82	20,145,281.18	61,020,167.11	13,295,475.59
Deferred income	850,778,010.78	158,064,840.94	790,712,507.85	141,869,034.39
Lease liabilities	2,962,674,728.18	526,113,261.44	1,284,736,018.19	320,256,051.52
Undistributed deficit	11,044,459,372.47	2,453,562,021.36	7,841,734,561.71	1,796,857,061.40
Others	1,687,429,435.10	404,986,038.55	1,157,847,468.51	278,796,339.84
Total	17,052,712,648.87	3,637,981,805.28	12,053,322,379.08	2,748,453,776.86

(2) Deferred income tax liabilities without offset

Unit: RMB

Item	Balance as at December 31, 2024		Balance as at January 1, 2024	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Accelerated depreciation	3,698,488,327.08	569,563,756.41	6,589,146,908.65	1,425,784,496.79
Right-of-use assets	2,927,348,629.06	515,418,441.67	1,237,328,849.54	308,433,173.10
Gains or losses from changes in fair value of equity investments	162,151,230.94	40,537,807.74	158,349,077.76	39,587,269.44
Appreciation of business combination not under common control	424,183,638.10	105,484,871.48	406,037,752.12	101,509,438.03
Convertible bond tax difference	428,120,243.19	107,030,060.80	639,385,714.06	159,846,428.52
Others	1,199,925,149.38	277,563,618.80	941,499,791.95	208,660,779.43
Total	8,840,217,217.75	1,615,598,556.90	9,971,748,094.08	2,243,821,585.31

(3) Deferred income tax assets or liabilities presented by net amount after offset

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	1,107,606,927.91	2,530,374,877.37	1,734,064,200.57	1,014,389,576.29
Deferred income tax liabilities	1,107,606,927.91	507,991,628.99	1,734,064,200.57	509,757,384.74

(4) Breakdown of unrecognized deferred income tax assets

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Deductible temporary differences	46,852,451.74	2,813,544.06
Deductible losses	675,840,433.41	619,414,537.75
Total	722,692,885.15	622,228,081.81

(5) Deductible losses of unrecognized deferred income tax assets will become due in the following years

Unit: RMB

Year	Amount as at December 31, 2024	Amount as at January 1, 2024	Remark
Year 2024		65,470,151.72	
Year 2025	110,172,777.95	111,310,738.81	
Year 2026	203,196,183.92	205,533,655.12	
Year 2027	123,267,565.68	138,203,222.23	
Year 2028	107,064,934.39	98,896,769.87	
Year 2029	132,138,971.47		
Total	675,840,433.41	619,414,537.75	

20. Other non-current assets

Unit: RMB

Item	Balance as at December 31, 2024			Balance as at January 1, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Advances to suppliers for projects and equipment	2,521,178,872.31		2,521,178,872.31	6,391,552,903.42		6,391,552,903.42
Total	2,521,178,872.31		2,521,178,872.31	6,391,552,903.42		6,391,552,903.42

21. Assets with restrictions on the ownership or use right

Unit: RMB

Item	Book value as at December 31, 2024	Reason for restriction
Monetary funds	1,626,662,420.94	See Note 7.1 for the reason for restriction
Fixed assets	23,745,825,973.57	Mortgage for obtaining financing credit from financial institutions
Intangible assets	2,693,030,910.69	Mortgage for obtaining financing credit from financial institutions
Construction in progress	2,108,895,029.20	Mortgage for obtaining financing credit from financial institutions
Accounts receivable	[Remark]	Pledge for obtaining financing credit from financial institutions
Total	30,174,414,334.40	

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. As at December 31, 2024, the balance of accounts receivable of Lianyungang Guanghong Industrial Co., Ltd. from related parties within the scope of combination amounted to RMB 121 million.

22. Short-term borrowings

(1) Classification of short-term borrowings

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Credit borrowings	9,006,973,088.98	11,994,975,666.09
Guaranteed borrowings	37,305,913,513.69	25,386,820,210.49
Mortgaged borrowings	2,513,552,215.64	2,747,869,471.26
Pledged borrowings	3,757,130,627.77	1,489,740,000.00
Short-term loan interest.	156,130,648.89	78,299,200.53
Less: interest adjustment	57,536,227.35	
Total	52,682,163,867.62	41,697,704,548.37

(2) Short-term borrowings overdue but not repaid

None

23. Notes payable

Unit: RMB

Category	Balance as at December 31, 2024	Balance as at January 1, 2024
Bank acceptance bills		390,550,672.86
Total		390,550,672.86

24. Accounts payable

(1) Presentation of accounts payable

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Payables for goods	4,386,891,449.24	6,077,500,083.37
Payables for equipment and projects	9,863,882,231.03	9,873,155,210.27
Total	14,250,773,680.27	15,950,655,293.64

(2) Significant accounts payable with aging over 1 year or overdue

Unit: RMB

Item	Balance as at December 31, 2024	Reason for failure in repayment or carry-forward
Sinopec Tenth Construction Co., Ltd.	139,270,839.61	Project payment not yet settled
China Petroleum First Construction Co., Ltd.	247,107,994.08	Project payment not yet settled
Total	386,378,833.69	

25. Advances from customers

(1) Presentation of advances from customers

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2023
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Advances from customers	32,388,603.72	32,600,721.32
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(2) Significant advances from customers aged over one year or past due

None

26. Contract liabilities**(1) Details of contract liabilities**

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2023
Advances from customers	2,484,508,305.51	2,272,577,360.44

(2) Significant contract liabilities with aging over one year

None

27. Employee compensation payable**(1) Presentation of employee compensation payable**

Unit: RMB

Item	Balance as at January 1, 2024	Increase from combinations	Increase in 2024	Decrease in 2024	Balance as at December 31, 2024
Short-term compensation	547,524,916.00	8,251,984.86	4,489,863,584.12	4,564,561,168.29	481,079,316.69
Post-employment benefits - defined contribution plans	124,852.35	4,062,612.05	301,907,132.36	301,658,560.17	4,436,036.59
Dismissal benefits			25,484,675.74	25,484,675.74	
Total	547,649,768.35	12,314,596.91	4,817,255,392.22	4,891,704,404.20	485,515,353.28

(2) Presentation of short-term compensation

Unit: RMB

Item	Balance as at January 1, 2024	Increase from combinations	Increase in 2024	Decrease in 2024	Balance as at December 31, 2024
1. Salaries, bonuses, allowances and subsidies	547,411,142.51	7,769,364.11	3,829,619,367.75	3,904,420,809.76	480,379,064.61
2. Employee welfare fees		336,959.60	366,274,125.69	366,265,273.12	345,812.17
3. Social insurance premiums	1,230.05		164,887,271.34	164,775,936.57	112,564.82
Including: medical insurance premiums			128,330,028.30	128,237,292.30	92,736.00
Work-related injury insurance premiums			19,289,143.44	19,277,752.07	11,391.37
Maternity insurance premiums			16,176,277.16	16,169,321.96	6,955.20
Others	1,230.05		1,091,822.44	1,091,570.24	1,482.25
4. Housing provident funds		145,106.00	121,416,771.36	121,489,132.36	72,745.00

Item	Balance as at January 1, 2024	Increase from combinations	Increase in 2024	Decrease in 2024	Balance as at December 31, 2024
5. Labor union expenditures and employee education funds	112,543.44	555.15	7,666,047.98	7,610,016.48	169,130.09
Total	547,524,916.00	8,251,984.86	4,489,863,584.12	4,564,561,168.29	481,079,316.69

(3) Presentation of defined contribution plans

Unit: RMB

Item	Balance as at January 1, 2024	Increase from combinations	Increase in 2024	Decrease in 2024	Balance as at December 31, 2024
1. Basic endowment insurance premiums	124,852.35		292,802,552.26	292,559,457.24	367,947.37
2. Unemployment insurance premiums			9,104,580.10	9,099,102.93	5,477.17
3. Others		4,062,612.05			4,062,612.05
Total	124,852.35	4,062,612.05	301,907,132.36	301,658,560.17	4,436,036.59

28. Taxes and surcharges payable

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Value-added tax (VAT)	50,648,240.49	41,467,552.06
Consumption tax	715,263,804.90	690,487,987.15
Enterprise income tax	39,096,812.43	59,561,760.04
Individual income tax	12,086,193.48	14,077,058.84
Urban maintenance and construction tax	52,920,212.49	49,915,298.62
House property tax	27,293,270.99	24,955,571.89
Education surtax	38,284,290.29	35,969,974.41
Environmental protection tax	1,928,252.35	2,135,522.65
Land use tax	10,354,843.71	9,395,621.89
Stamp duty	31,035,405.76	31,420,468.94
Others	22,007.78	
Total	978,933,334.67	959,386,816.49

29. Other payables**(1) Details of other payables**

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Dividends payable	830,990.60	40,000,000.00
Other payables	300,373,540.81	921,911,125.99

Total	301,204,531.41	961,911,125.99
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(2) Interest payable

None

(3) Dividends payable

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Common stock dividends	830,990.60	40,000,000.00

(4) Other payables**1) Presentation of other payables by nature**

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Payment for equity payable		43,205,910.32
Margin, deposit, risk fund	260,759,697.95	484,700,449.35
Accrued expenses	15,207,357.30	12,585,931.75
Collection, payment and transactions	17,163,312.53	379,078,344.86
Others	7,243,173.03	2,340,489.71
Total	300,373,540.81	921,911,125.99

2) Other payables aged over one year or past due

None

30. Non-current liabilities maturing within one year

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Long-term borrowings maturing within one year	19,002,667,074.96	17,857,243,780.87
Long-term payables maturing within one year	1,176,199,717.69	862,707,828.27
Lease liabilities maturing within one year	241,740,913.93	125,103,350.17
Interest on long-term borrowings with interest paid by installments and principal paid on maturity date	90,015,202.16	105,129,622.42
Interest on bonds payable with interest paid by installments and principal paid at maturity	58,534,091.50	23,347,627.89
Total	20,569,157,000.24	18,973,532,209.62

31. Other current liabilities

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Output tax to be carried forward	314,452,670.54	291,632,121.40

32. Long-term borrowings

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Guaranteed borrowings	5,964,664,474.61	6,048,037,118.84
Pledged borrowings	19,739,900,266.59	55,794,413,443.59
Mortgaged borrowings	35,489,812,706.20	1,083,370,023.30
Less: interest adjustment	205,944,783.07	204,353,912.61
Total	60,988,432,664.33	62,721,466,673.12

In some loan agreements signed by the Company with banks, there are restrictive covenants that require the fulfillment of certain financial metrics. The Company regularly monitors compliance with these financial metrics. As of December 31, 2024, the carrying value of bank loans for which the financial covenants were not met amounted to RMB 6,713,194,800.65.

33. Bonds payable**(1) Details of bonds payable**

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Convertible corporate bonds	4,569,453,956.81	4,367,874,125.48

(2) Increase/decrease of bonds payable (excluding preferred shares, perpetual bonds and other financial instruments divided into the financial liabilities)

Unit: RMB

Bond name	Par value	Coupon rate	Date of issue	Term of bond	Amount issued	Balance as at January 1, 2024	Issued in 2024	Interest withdrawn by par value	Amortization of premiums or discounts	Repaid in 2024	Conversion into shares in the current period	Balance as at December 31, 2024	Whether or not in breach of contract
Shenghong Convertible Bond	100.00	0.2%-2%	2021/3/22	6 years	5,000,000,000.00	4,367,874,125.48		65,172,498.61	201,676,069.88		96,238.55	4,569,453,956.81	No
Total	--				5,000,000,000.00	4,367,874,125.48		65,172,498.61	201,676,069.88		96,238.55	4,569,453,956.81	--

(3) Description of convertible 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* (ZJXX [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 issuance of convertible bonds, if the Company pays stock dividends, converts share capital, issues new shares, allots shares and pays cash dividends, the conversion price of the bonds will be adjusted accordingly.

34. Lease liabilities

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Payables for leases	4,372,700,630.75	2,111,948,205.02
Less: unrecognized financing expense	1,250,905,865.92	614,830,049.94
Less: lease liabilities maturing within one year	241,740,913.93	125,103,350.17
Total	2,880,053,850.90	1,372,014,804.91

35. Long-term payables

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Accounts payable for finance lease	4,803,686,057.66	2,218,615,029.60
Less: unrecognized financing expense	253,815,684.32	129,727,117.63
Less: the part maturing within one year	1,176,199,717.69	862,707,828.27
Total	3,373,670,655.65	1,226,180,083.70

36. Estimated liabilities

Unit: RMB

Item	Balance as at December 31, 2023	Increase in 2024	Decrease in 2024	Balance as at December 31, 2024
Expected contract loss		7,194,735.20		7,194,735.20

37. Deferred income

Unit: RMB

Item	Balance as at January 1, 2024	Increase from combinations	Increase in 2024	Decrease in 2024	Balance as at December 31, 2024
Government grants	2,427,897,284.22	7,911,496.34	72,592,800.00	108,296,603.90	2,400,104,976.66

38. Other non-current liabilities

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Long-term house rent	14,345,006.56	19,230,096.19

39. Share capital

Unit: RMB

	Balance as at January 1, 2024	Changes during the current period ("+", "-")					Balance as at December 31, 2024
		New shares issued	Share donation	Conversion of reserves into shares	Convertible debt-to-equity swap	Sub-total	
Total shares	9,599,613,386.16				8,029.00	8,029.00	9,599,621,415.16

40. Other equity instruments**(1) Preferred shares, perpetual bonds and other financial instruments issued as at December 31, 2024**

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* (ZJXX [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 issuance of convertible bonds, if the Company pays stock dividends, converts share capital, issues new shares, allots shares and pays cash dividends, the conversion price of the bonds will be adjusted accordingly.

(2) Changes in preferred shares, perpetual bonds and other financial instruments issued as at December 31, 2024

Unit: RMB

Outstanding financial instruments	As at January 1, 2024		Increase in 2024		Decrease in 2024		As at December 31, 2021	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Shenghong Convertible Bond	49,976,805.00	906,756,613.34			1,063.00	19,286.58	49,975,742.00	906,737,326.76

Other equity instruments decreased by RMB 19,286.59 for this period, due to the conversion of Shenghong convertible bonds into the Company's shares.

41. Capital reserves

Unit: RMB

Item	Balance as at January 1, 2024	Increase in 2024	Decrease in 2024	Balance as at December 31, 2024
Share premium	17,730,121,869.71	1,560,175,661.73	22,983,896.55	19,267,313,634.89
Other capital reserves	11,972,688.03		531,592.14	11,441,095.89
Total	17,742,094,557.74	1,560,175,661.73	23,515,488.69	19,278,754,730.78

Reasons for main changes:

- (1) The Company's capital premium (share premium) increased by RMB 1,560,068,316.75 and decreased by RMB 22,983,896.55, 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. See Note X. 2 for details;
- (2) The Company's capital premium (share premium) increased by RMB 8.72 for this period, due to the cancellation of a controlling subsidiary during the reporting period, as detailed in Note IX. 5.
- (3) The Company's capital premium (share premium) increased by RMB 107,336.26 for this period, due to the increase in capital reserves under the conversion of the Company's "Shenghong Convertible Bonds" into shares in this period;
- (4) The Company's other capital reserves decreased by RMB 531,592.14 for this period, due to the transfer out of previously recognized capital reserves by the step-by-step combination of the associate Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.

42. Other comprehensive income

Unit: RMB

Item	Balance as at January 1, 2024	Current period						Balance as at December 31, 2024
		Amount before income tax in 2024	Less: the amount included in other comprehensive income in prior period and transferred to current profits or losses	Less: amount previously included in other comprehensive income and currently transferred to the retained earnings	Less: income tax expenses	Amount attributable to the parent company after tax	Amount attributable to minority shareholders after tax	
I. Other comprehensive income that will not to be reclassified to profit and loss	67,198,620.00	2,324,380.00			581,095.00	1,743,285.00		68,941,905.00
Including: changes in fair value of other equity instrument investment	67,198,620.00	2,324,380.00			581,095.00	1,743,285.00		68,941,905.00
II. Other comprehensive income that will be reclassified into profit or loss	8,410,478.36	11,814,491.77				11,814,491.77		20,224,970.13
Including: translation differences of foreign currency statements	8,410,478.36	11,814,491.77				11,814,491.77		20,224,970.13
Total of other comprehensive income	75,609,098.36	14,138,871.77			581,095.00	13,557,776.77		89,166,875.13

Other descriptions, including the adjustment made to the cash flow hedging reserves converted into the initial recognition amount of the hedged item:

43. Special reserves

Unit: RMB

Item	Balance as at January 1, 2024	Increase in 2024	Decrease in 2024	Balance as at December 31, 2024
Work safety expenses	95,610,435.57	336,295,638.00	345,797,872.48	86,108,201.09

44. Surplus reserves

Unit: RMB

Item	Balance as at January 1, 2024	Increase in 2024	Decrease in 2024	Balance as at December 31, 2024
Statutory surplus reserves	609,412,557.95	20,514,392.00		629,926,949.95

45. Retained earnings

Unit: RMB

Item	Year 2024	Year 2023
Retained earnings at the end of last period before adjustment	6,421,996,498.50	6,298,390,031.62
Adjustment to total retained earnings as at the beginning of the period (+ for increase and - for decrease)		113,117,374.99
Retained earnings as at the beginning of the period after adjustment	6,421,996,498.50	6,411,507,406.61
Plus: net profit attributable to owners of the parent company in the current period	-2,296,841,255.74	717,031,594.87
Less: withdrawal of statutory surplus reserves	20,514,392.00	5,421,262.78
Common stock dividends payable	661,121,445.00	701,121,240.20
Retained earnings as at the end of the period	3,443,519,405.76	6,421,996,498.50

46. Operating income and operating costs

Unit: RMB

Item	Year 2024		Year 2023	
	Income	Cost	Income	Cost
Main business	136,476,367,071.93	125,057,216,872.71	125,579,839,200.18	109,859,177,730.21
Other business	1,198,190,094.92	1,004,901,258.36	14,859,898,858.45	14,754,226,471.10
Total	137,674,557,166.85	126,062,118,131.07	140,439,738,058.63	124,613,404,201.31

47. Taxes and surcharges

Unit: RMB

Item	Year 2024	Year 2023
Consumption tax	7,207,485,140.70	7,464,413,779.62
Urban maintenance and	531,529,802.36	549,096,440.79

Item	Year 2024	Year 2023
construction tax		
Educational surtax	380,981,449.31	394,582,370.47
House property tax	113,467,933.06	90,072,028.40
Land use tax	38,497,084.60	35,569,002.59
Stamp duty	126,246,287.45	117,396,908.12
Environmental protection tax	8,260,925.68	8,422,730.20
Others	300,593.95	314,221.67
Total	8,406,769,217.11	8,659,867,481.86

48. Selling and distribution expenses

Unit: RMB

Item	Year 2024	Year 2023
Employee compensation	123,759,583.20	124,497,052.47
Warehousing expenses	152,828,138.18	147,590,527.08
Others	57,794,399.18	62,075,241.41
Total	334,382,120.56	334,162,820.96

49. General and administrative expenses

Unit: RMB

Item	Year 2024	Year 2023
Employee compensation	587,809,554.26	494,967,948.70
Service fees	138,653,913.27	115,168,038.28
Depreciation and amortization	156,542,748.62	106,042,105.45
Insurance premiums	106,939,030.52	52,870,882.58
Office fees	14,085,949.96	18,442,671.26
Water, electricity and property management expenses	21,298,463.64	10,725,146.51
Others	55,879,558.84	66,193,770.56
Total	1,081,209,219.11	864,410,563.34

50. Research and development expenses

Unit: RMB

Item	Year 2024	Year 2023
Technology development costs	832,022,384.44	671,302,694.89

51. Financial expenses

Unit: RMB

Item	Year 2024	Year 2023
Interest expenses	4,996,149,469.46	3,587,807,476.21
Less: interest income	163,843,073.13	162,432,850.20
Gains or losses on exchange	-74,748,449.57	-16,917,052.39
Handling fees and others	116,208,593.75	85,474,053.25
Total	4,873,766,540.51	3,493,931,626.87

52. Other income

Unit: RMB

Source of other income	Year 2024	Year 2023
Government grants	651,386,610.51	446,444,408.18
Additional deduction of input tax	318,049,928.67	143,925,405.84
Handling charges for withdrawal of individual income tax	2,573,982.27	3,288,490.81
Total	972,010,521.45	593,658,304.83

53. Investment income

Unit: RMB

Item	Year 2024	Year 2023
Income from long-term equity investments calculated under equity method	-364,514.73	-26,185,529.82
Recognizing income from change from equity method to cost method	115,675,611.54	
Investment income from financial assets held for trading during the holding period	2,524,209.48	3,013,859.62
Investment income from disposal of financial assets	41,546,371.67	-20,951,873.16
Dividends income from other equity instruments invested during the holding period		976,431.36
Total	159,381,677.96	-43,147,112.00

54. Gains from changes in fair value

Unit: RMB

Sources of gains from changes in fair value	Year 2024	Year 2023
Financial assets held for trading	39,709,845.02	1,568,194.25

55. Losses from credit impairment

Unit: RMB

Item	Year 2024	Year 2023
Losses from bad debts of notes receivable	6,413.00	
Losses from bad debts of accounts receivable	-15,426,321.73	-9,061,262.54
Losses from bad debts of other receivables	6,374,131.24	-5,750,961.99
Total	-9,045,777.49	-14,812,224.53

56. Losses from asset impairment

Unit: RMB

Item	Year 2024 ("-" for losses)	Year 2023 ("-" for loss)
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Item	Year 2024 ("- " for losses)	Year 2023 ("- " for loss)
I. Loss from inventory depreciation and losses from impairment of contract performance cost	-710,854,465.77	-2,210,198,657.58
II. Losses from impairment of construction in progress	-16,499,120.57	
Total	-727,353,586.34	-2,210,198,657.58

57. Gains from disposal of assets

Unit: RMB

Sources of proceeds from the disposal of assets	Year 2024	Year 2023	Amount included in non-recurring gains or losses in 2024
Gains from disposal of non-current assets	10,478,873.82	114,136,383.46	10,478,873.82

58. Non-operating income

Unit: RMB

Item	Year 2024	Year 2023	Amount included in non-recurring gains or losses in 2024
Income from indemnity and fines	49,716,264.92	74,743,514.70	49,716,264.92
Payments not required to be paid	3,704,199.53	13,983,529.02	3,704,199.53
Others	16,167,122.30	15,634,709.41	16,167,122.30
Total	69,587,586.75	104,361,753.13	69,587,586.75

59. Non-operating expenses

Unit: RMB

Item	Year 2024	Year 2023	Amount included in non-recurring gains or losses in 2024
Donations	6,051,000.00	1,779,123.00	6,051,000.00
Expenses on compensation, fines and overdue fines	278,004,429.58	7,213,339.01	278,004,429.58
Losses from the damage and scrapping of non-current assets	27,636,945.49	23,795,242.37	27,636,945.49
Others	1,048,740.95	4,466,891.47	1,048,740.95
Total	312,741,116.02	37,254,595.85	312,741,116.02

60. Income tax expenses**(1) Table of income tax expenses**

Unit: RMB

Item	Year 2024	Year 2023
Current income tax expenses	91,588,418.96	159,223,176.00

Deferred income tax expenses	-1,521,397,194.94	-559,446,214.96
Total	-1,429,808,775.98	-400,223,038.96

(2) Accounting profit and income tax expense adjustment process

Unit: RMB

Item	Year 2023
Total profits	-3,713,682,420.80
Income tax expenses calculated at statutory/applicable tax rate	-928,420,605.24
Impact of different tax rates applicable to subsidiaries	-189,360,809.68
Impact of adjustments to the income tax for the prior years	-368,353.47
Effect of non-taxable income	-31,176,954.96
Effect of non-deductible costs, expenses and losses	60,014,929.98
Impact of deductible losses from using the deferred income tax assets unrecognized in previous periods	-25,629,620.72
Impact of deductible temporary differences or losses from deferred income tax assets unrecognized in the current period	35,299,783.76
Impact of additional deduction of R&D expenses	-250,809,956.83
Others	-99,357,188.82
Income tax expenses	-1,429,808,775.98

61. Earnings per share**(1) Basic earnings per share**

Basic earnings per share are calculated by dividing the consolidated net profit attributable to ordinary shareholders of the Company by weighted average number of outstanding ordinary shares of the Company:

Unit: RMB

Item	Year 2024	Year 2023
Consolidated net profit attributable to the common stockholder of the parent company	-2,296,841,255.74	717,031,594.87
Weighted average of the Company's outstanding common stocks	6,611,215,753.67	6,611,210,442.33
Basic earnings per share	-0.35	0.11
Including: basic earnings per share from continued operation	-0.35	0.11
Basic earnings per share from discontinued operation		

(2) Diluted earnings per share

The diluted earnings per share is calculated by dividing the consolidated net profit attributable to the common stockholder of the parent company (diluted) by the weighted average of the Company's outstanding common stock (diluted):

Unit: RMB

Item	Year 2024	Year 2023
Consolidated net profit attributable to the common shareholder of the parent company (diluted)	-2,296,841,255.74	717,031,594.87

Weighted average of the Company's outstanding common stock (diluted)	6,611,215,753.67	6,611,210,442.33
Diluted earnings per share	-0.35	0.11
Including: diluted earnings per share from continued operation	-0.35	0.11
Diluted earnings per share from discontinued operation		

62. Items in the statement of cash flows

(1) Cash from operating activities

1) Cash received for other operating activities

Unit: RMB

Item	Year 2024	Year 2023
Government grants	313,587,145.72	328,958,280.31
Interest	161,446,087.49	161,388,693.94
Current accounts	430,024,552.23	781,154,071.12
Non-operating income	50,872,663.75	65,201,000.34
Recovery of restricted funds	9,084,089,276.62	7,547,001,149.60
Employee shareholding payments received	142,510,200.00	871,273,515.74
Total	10,182,529,925.81	9,754,976,711.05

2) Cash paid for other operating activities

Unit: RMB

Item	Year 2024	Year 2023
Current amounts	960,702,034.22	699,116,745.94
Expenditure on selling and distribution expenses and general and administrative expenses	360,558,137.89	334,592,911.38
Financial expenses	117,715,205.39	158,935,499.66
Non-operating expenses and others	12,195,234.60	24,840,075.85
Expenditure on restricted funds	7,306,835,856.15	9,804,198,170.25
Employee shareholding payments received	142,810,000.00	874,536,818.40
Total	8,900,816,468.25	11,896,220,221.48

(2) Cash received from investing activities

1) Cash received from other investing activities

Unit: RMB

Item	Year 2024	Year 2023
Recovery of restricted funds (investment)	523,403,153.89	1,140,566,718.61
Interest income from capitalized special-purpose loans	977,387.27	9,956,924.19
Total	524,380,541.16	1,150,523,642.80

2) Cash paid for other investing activities

Unit: RMB

Item	Year 2024	Year 2023
Expenditure on restricted funds	294,382,892.74	529,564,086.98

(3) Cash from other financing activities

1) Cash received from other financing activities

Unit: RMB

Item	Year 2024	Year 2023
Capital of related parties		832,030,000.00
Finance lease	3,124,000,000.00	953,807,245.60
sales with buyback agreements	1,045,095,082.31	
Total	4,169,095,082.31	1,785,837,245.60

2) Cash paid for other financing activities

Unit: RMB

Item	Year 2024	Year 2023
Capital of related parties	348,000,000.00	2,101,753,646.00
Finance lease	1,775,169,770.37	1,591,339,566.57
Payments made by subsidiaries under the business combination under common control	43,205,910.32	2,200,000,000.00
Rental expense of right-of-use assets	254,390,521.82	61,582,360.73
Purchase of minority interest of subsidiaries	22,320,000.00	
Sales with buyback agreements	1,123,658,188.09	
Others	958,296.02	13,828,362.50
Total	3,567,702,686.62	5,968,503,935.80

63. Supplementary information on the statement of cash flows**(1) Supplementary information on the statement of cash flows**

Unit: RMB

Supplementary information	Year 2024	Year 2023
1. Net profit adjusted to cash flows from operating activities		
-Net profit	-2,283,873,644.82	711,193,754.07
Plus: losses from credit impairment	9,045,777.49	14,812,224.53
Provision for asset impairment	727,353,586.34	2,210,198,657.58
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	7,030,403,048.61	4,732,837,301.30

Supplementary information	Year 2024	Year 2023
Depreciation of right-of-use assets	96,019,981.75	53,622,217.18
Amortization of intangible assets	111,627,864.99	84,567,992.25
Amortization of long-term deferred expenses	1,451,114.97	2,439,239.09
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-10,478,873.82	-114,136,383.46
Losses from scrapping of fixed assets ("-" for gains)	27,572,424.22	22,622,945.27
Losses from changes in fair value ("-" for gains)	-39,709,845.02	-1,568,194.25
Financial expenses ("-" for gains)	4,868,209,861.89	3,606,003,483.72
Investment losses ("-" for gains)	105,080,907.31	38,342,038.29
Decreases in deferred income tax assets ("-" for increases)	-1,507,474,835.68	-86,180,800.55
Increases in deferred income tax liabilities ("-" for decreases)	-11,797,002.51	-472,935,884.41
Decreases in inventories ("-" for increases)	660,353,794.72	-2,877,671,522.23
Decreases in operating receivables ("-" for increases)	2,005,344,514.31	-1,391,129,160.41
Increases in operating payables ("-" for decreases)	-1,304,800,759.32	1,731,093,542.04
Others	-9,502,234.48	78,828,856.16
Net cash flows from operating activities	10,474,825,680.95	8,342,940,306.17
2. Significant investing and financing activities not involving cash inflow and outflow		
Conversion of debt to 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	12,009,784,562.13	6,386,357,048.67
Less: beginning balance of cash	6,386,357,048.67	10,166,052,126.87
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	5,623,427,513.46	-3,779,695,078.20

(2) Breakdown of cash and cash equivalents

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
I. Cash	12,009,784,562.13	6,386,357,048.67
Including: cash on hand	9,053.74	9,157.98
Unrestricted bank deposits	11,813,476,954.86	6,349,940,696.04
Other unrestricted cash and cash equivalents	196,298,553.53	36,407,194.65
II. Ending balance of cash and cash equivalents	12,009,784,562.13	6,386,357,048.67

(3) Restricted for use but still classified as cash and cash equivalents

None

(4) Cash at bank and on hand not belonging to cash and cash equivalents:

None

(5) Supplier financing arrangements

None

(6) 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

None

64. Monetary items in foreign currency**(1) Monetary items in foreign currency**

Unit: RMB

Item	Balance in foreign currency as at December 31, 2024	Exchange rate	Balance in RMB converted as at December 31, 2024
Cash at bank and on hand			1,257,069,492.50
Including: USD	171,261,395.382	7.1884	1,231,095,377.91
EUR	3,211,297.004	7.5257	24,167,257.86
HKD	549.08	0.9260	508.47
JPY	1,118.00	0.0462	51.71
SGD	341,815.31	5.2844	1,806,296.55
Accounts receivable			1,999,513,310.87
Including: USD	278,127,451.03	7.1884	1,999,291,368.95
EUR	29,491.20	7.5257	221,941.92
Other receivables			1,191,982.08
Including: USD	25.00	7.1884	179.71
SGD	225,532.20	5.2844	1,191,802.37
Accounts payable:			2,294,520,951.55
Including: USD	312,666,257.56	7.1886	2,247,628,924.51
EUR	6,230,918.99	7.5257	46,892,027.04
Other receivables			7,512,416.24
Including: USD	908,791.84	7.1884	6,532,759.27
SGD	185,386.60	5.2844	979,656.97
Non-current liabilities			427,983,107.78

Item	Balance in foreign currency as at December 31, 2024	Exchange rate	Balance in RMB converted as at December 31, 2024
maturing within one year			
Including: USD	57,129,231.68	7.1884	410,667,768.98
EUR	2,300,827.67	7.5257	17,315,338.80
Long-term borrowings			100,164,474.61
Including: EUR	13,309,655.53	7.5257	100,164,474.61

(2) Notes to overseas operating entity

Company name	Principal place of business	Functional currency	Basis of 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

65. Leases**(1) The Company as the lessee**

Unit: RMB

Item	Year 2024	Year 2023
Interest expenses on lease liabilities	68,267,411.92	58,298,662.86
Expense on short-term leases under simplified treatment and included in the assets-related cost or the current profit or loss	17,585,144.11	33,271,615.98
Expense on the leases 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 leases of low-value assets)		19,541,816.48
Variable lease payment that is not included in the lease liabilities for measurement included in the relevant asset costs or in the current profit or loss		
Including: leaseback part		
Income from the sublease of right-of-use assets		
Total cash outflows relevant to lease	255,430,465.74	135,982,587.83
Leaseback-related profit or loss		
Cash inflows of leaseback		
Cash outflows of leaseback		

The Company's future potential cash outflows not included in the lease liabilities for measurement mainly come from leases where the lessee has committed but not started yet.

The estimated future annual cash outflows of leases where the lessee has committed but not started are as below:

None

(2) The Company as the lessor**1) Operating lease**

Unit: RMB

Item	Year 2024	Year 2023
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Income from operating lease	69,437,003.59	51,852,109.13
Including: income relevant to variable lease payment not included in lease receipts	0.00	0.00

Undiscounted lease receipts that will be collected after the balance sheet date:

Unit: RMB

Remaining lease term	Year 2024	Year 2023
Within 1 year	32,820,020.96	22,411,655.78
1 - 2 years	9,858,252.11	20,223,197.78
2 - 3 years	8,255,388.32	6,692,245.98
3 - 4 years	2,711,523.12	5,986,019.79
4 - 5 years	2,711,523.12	304,629.98
Over 5 years	29,656,752.65	812,346.62
Total	86,013,460.28	56,430,095.93

2) Finance leases:

None

66. Income from trial operation sales

Unit: RMB

Item	Year 2024	Year 2023
Operating income	2,391,377,504.09	33,699,832,998.71
Operating costs	2,247,917,148.98	28,507,047,757.98

The trial run sales in 2024 refer to the external sales of products before the fixed assets reach the working condition for their intended use.

VIII. Research and development expenses

Unit: RMB

Item	Year 2024	Year 2023
Employee compensation	699,286,812.18	642,432,428.06
Consumed materials	5,420,243,151.17	4,845,536,362.05
Depreciation and amortization	180,581,470.87	166,600,755.43
Others	53,970,536.84	59,027,378.68
Total	6,354,081,971.06	5,713,596,924.22

IX. Changes in the scope of consolidation**1. Business combination not under common control****(1) Business combination not under common control in the current period**

Unit: RMB

Name of acquiree	Time-point for equity acquisition	Cost on equity acquisition	Proportion of equity acquired	Way of equity acquisition	Acquisition date	Determination basis of acquisition date	income of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period	Cash flows of the acquiree from the acquisition date to December 31, 2024
Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd. [Remark 1]	March 2024	62,450,000.00	7.2250%	Additional investment	March 31, 2024	Transfer of control	48,954,457.86	-15,896,878.39	-35,883,222.56
Liaoning Province Petroleum-chemical Industry Planning & Design Institute Co., Ltd.	September 2024	46,350,000.00	67.4925%	Cash purchase	September 30, 2024	Transfer of control	10,821,311.14	10,451,772.10	1,036,982.12
Lianyungang Fanghong Port Storage and Transportation Co., Ltd. [Remark 2]	October 2024	5,010,000.00	60.0000%	Cash purchase	October 31, 2024	Transfer of control	0.00	-1,698.85	1,535.90

Remark 1: The Company's acquisition of Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd. was a stepwise business combination. In July 2018, Zhonglu Technology, Guowang High-tech, and other external companies jointly invested in the establishment of New Vision, with a registered capital of RMB 100 million, of which Zhonglu Technology and Guowang High-tech contributed RMB 47 million in monetary funds, holding a combined equity ratio of 47%. In April 2021, Zhonglu Technology contributed RMB 1 million in cash, and the total equity ratio of Zhonglu Technology and Guowang Hi-Tech was 48%. In March 2024, New Vision completed the change of business registration, increasing the registered capital to RMB 200 million, and Zhonglu Technology and Guowang Hi-Tech increased their capital by a total of RMB 62.45 million. After the capital increase, the total equity of Zhonglu Technology and Guowang Hi-Tech accounted for 55.225%.

Remark 2: In December 2021, Shenghong Petrochemical (Lianyungang) Port Storage and Transportation Co., Ltd. and other external companies jointly invested in the establishment of Lianyungang Fanghong Port Storage and Transportation Co., Ltd., with a registered capital of RMB 200 million, of which Shenghong Petrochemical (Lianyungang) Port Storage and Transportation Co., Ltd. subscribed for RMB 80 million, holding a 40% equity, and paid RMB 6 million in monetary funds, while external companies subscribed for RMB 120 million and paid RMB 3 million in monetary funds. In November 2024, the Company signed a share transfer agreement with external shareholders, acquiring 60% of the equity at RMB 5.01 million. After the acquisition, the Company holds 100% of the equity in Lianyungang Fanghong Port Storage & Transportation Co., Ltd.

(2) Combination cost and goodwill

Unit: RMB

Combination cost	Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.	Liaoning Province Petroleum-chemical Industry Planning & Design Institute Co., Ltd.	Lianyungang Fanghong Port Storage and Transportation Co., Ltd.
-- Cash	62,450,000.00	46,350,000.00	5,010,000.00
-- Fair value of non-cash assets			
-- Fair value of debt issued or assumed			
-- Fair value of equity securities issued			
-- Fair value of contingent consideration			
-- Fair value of equity held before the acquisition date on the acquisition date	110,804,941.56		5,586,223.01
-- Others			
Total combination cost	173,254,941.56	46,350,000.00	10,596,223.01
Less: share of fair value of the identifiable net assets acquired	175,878,488.23	1,847,360.14	11,363,202.30
Difference of goodwill / the combination costs in short of the fair value of net identifiable assets	-2,623,546.67	44,502,639.86	-766,979.29

Remark: For the Company's business combination not under common control of Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd., the difference of the combination cost less than the fair value of the identifiable net assets acquired is recorded as non-operating income in the financial statements and deducted as non-recurring gains or losses. In the business combination not under common control of Lianyungang Fanghong Port Storage and Transportation Co., Ltd., since the related assets do not constitute a business, the equity held before the purchase date was not remeasured on the purchase date. The combination cost is calculated based on the original book value plus the equity acquisition price. If the combination cost is less than the fair value of the identifiable net assets acquired, the difference is recorded as investment income in the financial statements and deducted as non-recurring gains or losses.

(3) Identifiable assets and liabilities of the acquiree on the acquisition date

Unit: RMB

	Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.		Liaoning Province Petroleum-chemical Industry Planning & Design Institute Co., Ltd.		Lianyungang Fanghong Port Storage and Transportation Co., Ltd.	
	Guowang High-tech Fibre (Suqian) Co., Ltd.	Book value on the acquisition date	Fair value on the acquisition date	Book value on the acquisition date	Fair value on the acquisition date	Book value on the acquisition date
Assets:	1,252,343,418.47	1,229,401,516.67	50,158,527.81	42,619,755.07	12,358,369.70	8,379,920.70
Inventories	67,388,215.51	64,888,562.61	1,152,877.39	1,152,877.39		
Fixed assets	885,571,540.12	881,505,288.99	35,215,861.37	29,124,189.40		

	Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.		Liaoning Province Petroleum-chemical Industry Planning & Design Institute Co., Ltd.		Lianyungang Fanghong Port Storage and Transportation Co., Ltd.	
	Guowang High-tech Fibre (Suqian) Co., Ltd.	Book value on the acquisition date	Fair value on the acquisition date	Book value on the acquisition date	Fair value on the acquisition date	Book value on the acquisition date
Intangible assets	57,859,382.67	45,735,189.60	2,163,079.00	715,978.23	3,978,449.00	
Other current assets	129,586,942.84	129,586,942.84	11,614,257.41	11,614,257.41	5,342,733.64	5,342,733.64
Other non-current assets	111,937,337.33	107,685,532.63	12,452.64	12,452.64	3,037,187.06	3,037,187.06
Liabilities	933,867,206.19	1,194,203,853.69	47,421,393.84	46,486,036.24	995,167.40	555.15
Total current liabilities	660,457,538.95	722,907,538.95	46,290,577.93	46,290,577.93	555.15	555.15
Total non-current liabilities	273,409,667.24	471,296,314.74	1,130,815.91	195,458.31	994,612.25	
Net assets	318,476,212.28	35,197,662.98	2,737,133.97	-3,866,281.17	11,363,202.30	8,379,365.55
Less: Minority equity	142,597,724.05	43,721,741.10	889,773.83	-2,609,449.82		
Net assets gained	175,878,488.23	-8,524,078.12	1,847,360.14	-1,256,831.35	11,363,202.30	8,379,365.55

(4) Gains or losses arising from the re-measurement of equity held before the acquisition date at fair value

Whether there is a transaction that achieves a business combination step by step through multiple transactions and by which control is obtained during the reporting period.

☒Yes ☐No

Unit: RMB

Name of acquiree	Acquisition time point of the original equity held before the acquisition date	Proportion of the original equity held before the acquisition date	Acquisition cost of the original equity held before the acquisition date	Acquisition method of the original equity held before the acquisition date	Book value on the acquisition date of the original equity held before the acquisition date	Fair value on the acquisition date of the original equity held before the acquisition date	Gains or losses arising from the re-measurement of the original equity held before the acquisition date at fair value	Methods to determine and major assumptions for the fair value on the acquisition date of the original equity held before the acquisition date	Amount of other comprehensive income related to the original equity held before the acquisition date transferred to investment income or retained earnings
Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.	July 19, 2018	48.00%	48,000,000.00	Establishment	0.00	110,804,941.56	114,377,040.11	Asset-based evaluation	

Other remark:

The amount of net assets corresponding to the original equity held before the acquisition date was RMB - 3,572,098.55.

2. Business combination under common control

None

3. Counter purchase

None

4. Disposal of subsidiaries

Transactions or events losing control of subsidiaries in 2024

☐Yes ☒No

Whether or not the situation that the Company loses the control over a subsidiary in the current period by disposing of the investment in the subsidiary through several transactions exist

☐Yes ☒No

5. Changes in the scope of consolidation for other reasons

Notes to changes in the scope of consolidation for other reasons (e.g. establishment of subsidiaries and liquidation of subsidiaries, etc.) and other relevant circumstances:

(1) Subsidiaries and other operating entities newly included in the scope of consolidation in 2024

Company	Date of establishment	Relationship with the Company	Reason of establishment
Suzhou Shengze Market Management Co., Ltd.	November 2024	Wholly-owned Subsidiary	New establishment

(2) Subsidiaries and other operating entities that are no longer included in the scope of consolidated statements for other reasons in 2024

Company	Date of establishment	Time-point for equity withdrawal	Basis of time-point for equity withdrawal
Shenghong Oils Sales Co., Ltd.	June 2019	September 2024	[Remark]
Shenghong New Energy (Suzhou) Co., Ltd.	August 2022	June 2024	
Suzhou Dongneng Innovation Technology Co., Ltd.	October 2022	June 2024	

Remark: Shenghong Oils Sales Co., Ltd. completed its deregistration in September 2024. Shenghong New Energy (Suzhou) Co., Ltd. completed its deregistration in June 2024. Suzhou Dongneng Innovation Technology Co., Ltd. completed its deregistration in June 2024. Among them, the Company held 92% of the equity in Suzhou Dongneng Innovation Technology Co., Ltd. During the deregistration process, a net income of RMB 108.89 was ultimately generated. As the minority shareholder holding 8% equity completed the deregistration in June 2024, the net gains and losses generated during the deregistration process of Suzhou Dongneng Innovation Technology Co., Ltd. were entirely attributed to the Company, correspondingly increasing the Company's capital reserve by RMB 8.72.

X. Equity in other entities

1. Equity in subsidiaries

(1) Structure of the enterprise group

Subsidiaries	Principal place of business	Registered place	Business nature	Shareholding ratio		Way of acquisition
				Direct	Indirect	
Jiangsu Shengze	Suzhou	Suzhou	Energy sales and	100.00%	0.00%	Established by investment

Subsidiaries	Principal place of business	Registered place	Business nature	Shareholding ratio		Way of acquisition
				Direct	Indirect	
Dongfang Hengchuang Energy Co., Ltd.			management			
Jiangsu Shengze Gas Turbine Thermal Power Co., Ltd.	Suzhou	Suzhou	Power or heat supply	100.00%	0.00%	Established by investment
Jiangsu Shenghong Petrochemical Industry Group Co., Ltd.	Lianyungang	Lianyungang	Petrochemical industry investment	100.00%	0.00%	Established by investment
Suzhou Shenghong Data Cloud Technology Co., Ltd.	Suzhou	Suzhou	Software and information technology services	100.00%	0.00%	Established by investment
Jiangsu Shenghong Energy & Chemical New Materials Co., Ltd.	Suzhou	Suzhou	New material technology research and development	100.00%	0.00%	Established 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 New Energy (Suzhou) Co., Ltd. [Remark]	Suzhou	Suzhou	Emerging energy technology research and development	100.00%	0.00%	Established by investment
Shenghong Petrochemical	Shanghai	Shanghai	Technology development	100.00%	0.00%	Business combination under common control

Subsidiaries	Principal place of business	Registered place	Business nature	Shareholding ratio		Way of acquisition
				Direct	Indirect	
Group Shanghai New Materials Co., Ltd.			in the field of new chemical materials			
Suzhou Shengze Market Management Co., Ltd.	Suzhou	Suzhou	Real estate leasing	100.00%	0.00%	Established by investment

Remark: Shenghong New Energy (Suzhou) Co., Ltd. completed its deregistration in June 2024.

(2) Major non-wholly-owned subsidiaries

Unit: RMB

Subsidiaries	Shareholding ratio of minority shareholders	Profit or loss attributable to minority shareholders in 2024	Dividends declared to be distributed to minority shareholders in 2024	Balance of minority equity as at December 31, 2024
Jiangsu Sierbang Petrochemical Co., Ltd.	7.766991%	7,451,652.15		1,245,482,636.59
Jiangsu Guowang High-tech Fibre Co., Ltd.	20.168067%	12,606,636.78		2,157,275,431.31

(3) Main financial information of significant non-wholly-owned subsidiaries

Unit: RMB

Subsidiaries	Balance as at December 31, 2024					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities:	Total liabilities
Jiangsu Sierbang Petrochemical Co., Ltd.	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 Fibre Co., Ltd.	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

Unit: RMB

Subsidiaries	Amount in this period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Jiangsu Sierbang Petrochemical Co., Ltd.	20,688,212,611.47	739,617,008.40	739,617,008.40	402,199,790.63
Jiangsu Guowang High-tech Fibre Co., Ltd.	20,653,144,891.32	555,277,646.86	555,277,646.86	2,282,263,457.16

(4) Major limitation to the use of enterprise group assets and the liquidation of enterprise group debts

None

(5) Financial support 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**

① Sierbang Petrochemical, a subsidiary of the Company, signed capital increase agreements with ICBC Financial Assets Investment Co., Ltd., CCB Financial Assets Investment Co, BOC Financial Assets Investment Co and CITIC Financial Assets Management Co., Ltd., etc., with a total capital increase of RMB 2.4 billion. The minority shareholders hold a total of 7.766991% equity of Sierbang Petrochemical.

② Guowang High-Tech, a subsidiary of the Company, signed capital increase agreements with CCB Financial Assets Investment Co., Ltd., ICBC Financial Assets Investment Co, ABC Financial Assets Investment Co and BOC Financial Assets Investment Co. Ltd., with a total capital increase of RMB 2.4 billion. Minority shareholders hold a total of 20.168067% equity of Guowang High-Tech.

③ The Company signed an equity transfer agreement with the minority shareholder of Hubei Haiges New Energy Co., Ltd. holding 10% of the shares, and accepted the minority shareholder's contribution at a price of RMB 0 (the minority shareholder did not actually contribute). After the acquisition, the Company held 100% equity of Hubei Haiges New Energy Co., Ltd.

④ The Company signed an equity transfer contract with the minority shareholders of Liaoning Petrochemical Planning and Design Institute Co., Ltd. to purchase 32.5075% of Liaoning Petro-chemical Planning and Design Institute Co. Ltd. at a price of RMB 22.32 million. After the acquisition, the Company held 100% equity of Liaoning Petrochem Planning & Design Institute Co., Ltd.

(2) Effect of transactions on minority interests and equity attributable to owners of the parent company

Unit: RMB

Items	Jiangsu Sierbang Petrochemical Co., Ltd.	Jiangsu Guowang Hi-Tech Fiber Co., Ltd.
Disposal consideration		
-- Cash	2,400,000,000.00	2,400,000,000.00
-- Fair value of non-cash assets		
Total purchase cost/disposal consideration	2,400,000,000.00	2,400,000,000.00
Less: share of net assets of subsidiaries calculated at the proportion of equity acquired/disposed of	1,237,860,612.76	2,002,071,070.49
Difference	1,162,139,387.24	397,928,929.51
Including: adjustment to capital reserves	1,162,139,387.24	397,928,929.51
Adjustment to surplus reserves		
Adjustment to retained earnings		

Unit: RMB

Items	Hubei Haiges New Energy Co., Ltd.	Liaoning Province Petroleum-chemical Industry Planning & Design Institute Co., Ltd.
Purchase cost		
-- Cash	0.00	22,320,000.00
-- Fair value of non-cash assets		
Total purchase cost/disposal consideration		22,320,000.00
Less: share of net assets of subsidiaries calculated at the proportion of equity acquired/disposed of	-975,221.74	311,325.19
Difference	975,221.74	22,008,674.81
Including: adjustment to capital reserves	-975,221.74	-22,008,674.81
Adjustment to surplus reserves		
Adjustment to retained earnings		

3. Equity in joint venture arrangements or associates**(1) Major joint ventures or associates**

None

(2) Summary of financial information on insignificant joint ventures and associates

Unit: RMB

	Balance as at December 31, 2024/Year 2024	Balance as at January 1, 2024/Year 2023
Associates:		
Total book value of investment	90,557,516.48	82,851,688.61
Total of the following items calculated at shareholding ratio		
-- Net profit	4,786,845.13	-26,185,529.82
-- Total comprehensive income	4,786,845.13	-26,185,529.82

4. Important joint operations

None

5. Equity in structured entities not included in the scope of consolidated financial statements

None

XI. Government grants**1. Government grants recognized as amount receivable at the end of the reporting period**☒Applicable ☐Not Applicable

Balance of accounts receivable as at December 31, 2024: RMB 519,047,862.19

Reason for the failure in receiving the government subsidies with the estimated amount at the estimated time-point

☐Applicable ☒Not applicable

2. Liabilities involving with government grants

☒Applicable ☐Not applicable

Unit: RMB

Item	Balance as at January 1, 2024	New grants in 2024	Amount included in non-operating income in 2024	Amount transferred to other income in 2024	Increase due to consolidation in 2024	Balance as at December 31, 2024	Asset/income-related
Deferred income	2,427,897,284.22	72,592,800.00		108,296,603.90	7,911,496.34	2,400,104,976.66	Asset related

3. Government grants included in the current profit or loss

☒Applicable ☐Not applicable

(1) Asset-related government grants

Unit: RMB

Item presented on the balance sheet	Amount of government grants	Amount included in the current profit or loss or used to offset the losses of related costs		Item included in the current profit or loss or used to offset the losses of related costs
		Year 2024	Year 2023	
Deferred income	72,592,800.00	108,296,603.90	86,606,934.94	Other income

(2) Income-related government grants

Unit: RMB

Items included in the current profit or loss or used to offset the losses of related costs	Amount of government grants	Amount included in the current profit or loss or used to offset the losses of related costs	
		Year 2024	Year 2023
Other income	543,090,006.61	543,090,006.61	359,837,473.24

4. Refund of government grants

None

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:

In the course of business operation, the Company will face various financial risks, including the credit risk, market risk and liquidity risk. The Board of Directors of the Company takes full responsibilities for determining the risk management objects and policies and bearing the ultimate liabilities for that, however, the Board of Directors has authorized the management of the Company to design and implement the process 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 quarterly reports submitted by financial departments. The internal auditors of the Company also will audit the risk management policies and procedures, and report the relative facts to the audit committee.

The overall objective of risk management of the Company is to prepare the risk management policies ensuring the risk under control as far as possibility without affecting the Company's business development goals.

(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. Prior to the conclusion of the new contract, the Company will evaluate the credit risk of the new customer including the external credit rating and bank credential letter under some circumstances if it is available. The Company sets a credit limit for each customer. The limit is the maximum amount dispensing with additional approval.

The Company quarterly monitors the existing customer credit rating and monthly reviews aging analysis of accounts receivable to ensure that the Company's overall credit risk is within the controllable range. The Company divides the customers by their credit characteristics while monitoring the customer credit risk. Customers rated as "high risk" level will be placed in a restricted customer list. The Company may sell goods to such customers on credit in future periods in case of additional approval, otherwise the Company must require advance payments of the corresponding amount.

(2) Liquidity risk

Liquidity risk refers to a risk that an enterprise suffers funds shortage in performing the obligations of settlement in cash or other financial assets.

Liquidity risk refers to a risk that an enterprise suffers funds shortage in performing the obligations of settlement in cash or other financial assets. The policy of the Company is to ensure that there is sufficient cash for the payment of 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.

(3) Market risk

Market risk associated with financial instruments refers to the risk that fair value or future cash flows of financial instruments fluctuate due to variations in market prices, and it includes exchange rate risk, interest rate risk and other price risks.

① Interest rate risk

Interest rate risks refer to the risks of fluctuation in the fair value or future cash flows of financial instruments due to changes 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 variations in foreign exchange rate. The Company will match the foreign currency income with the foreign currency expenses as far as possible to reduce the exchange rate risk.

③ Other price risks

Other price risks are the risks that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market prices other than exchange rate risks and interest rate risks.

As for the equity investments held by the Group in other listed companies, the management believes that the market price risks, to which these investing activities are exposed, are acceptable.

The equity investments held by the Company in the listed companies are listed as below:

Unit: RMB

Item	Balance as at December	Balance as at December
------	------------------------	------------------------

	31, 2024	31, 2023
Financial assets held for trading	74,183,711.94	73,750,917.76
Total	74,183,711.94	73,750,917.76

As at December 31, 2024, on the conditions that all the other variables remain unchanged, if the value of the equity instruments increases or decreases by 30%, then the gains from changes in fair value of the Company increased or decreased by RMB 22,255,100. The management believes that rate of 30% has reasonably reflected the scope of potential changes in the equity instruments in the next year.

2. Transfer of financial assets

None

XIII. Disclosure of fair value

The input values used for measuring fair value are divided into three levels:

Level 1 input values are unadjusted quoted prices in the active market of identical assets or liabilities accessible on the measurement date.

Level 2 input values refer to input values that are directly or indirectly observable for relevant assets or liabilities, other than Level 1 input values.

Level 3 input values are unobservable input values for relevant assets or liabilities.

The level of the measurement result of fair value shall subject to the lowest level which the input that is great significance to the entire measurement of fair value belongs to.

1. Fair value of assets and liabilities measured at fair value as at December 31, 2024

Unit: RMB

Item	Fair value as at December 31, 2024			
	Measurement at Level 1 fair value	Measurement at Level 2 fair value	Measurement at Level 3 fair value	Total
I. Continuous measurement of fair value	--	--	--	--
(I) Financial assets held for trading	106,594,928.00			106,594,928.00
1. Financial assets measured at fair value through the current profit or loss	106,594,928.00			106,594,928.00
(1) Investment in equity instruments	74,183,711.94			74,183,711.94
(2) Derivative financial assets	32,411,216.06			32,411,216.06
(II) Receivables financing			536,196,519.90	536,196,519.90
Other equity instrument investments			584,422,540.00	584,422,540.00
Total assets continuous measured at fair value	106,594,928.00		1,120,619,059.90	1,227,213,987.90

2. Basis of determination for market prices of continuous and non-continuous measurements of fair values at Level 1

(1) The equity instrument investments classified as measured at fair value through the current profit or loss amounted to RMB74,183,711.94, and recognized at the closing price of open market trading on December 31, 2024.

(2) Derivative financial assets of RMB32,411,216.06 were recognized at the fair value of the position contract in the futures market on December 31, 2024.

3. Qualitative and quantitative information on the valuation techniques and important parameters adopted for continuous and non-continuous measurements of fair values at Level 2

None

4. Qualitative and quantitative information on the valuation techniques and important parameters adopted for continuous and non-continuous measurements of fair values at level 3

Unit: RMB

Item	Fair value as at December 31, 2024	Valuation techniques
Receivable financing	536,196,519.90	[Remark]
Other equity instrument investments	584,422,540.00	Market method

Remark: The receivable financing represents notes receivable of RMB536,196,519.90 that are discounted or expected to be transferred by endorsement. The maturity of the notes is usually shorter than 6 months, and the difference between the fair value and the face value is insignificant, and the face amount is used as the fair value measurement

XIV. Related parties and related-party transactions

1. Parent company of the Company

Parent company	Registered 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 type	RMB 2,992.7411 million	42.19%	42.19%

Remarks: the above shareholding ratio is the proportion of the Company's shares directly held by Shenghong Technology as of the end of the reporting period.

The ultimate controllers of the Company are Miao Han'gen and Zhu Hongmei.

2. Subsidiaries of the Company

See the 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 major 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 parent company
HONWELL (Lianyungang) Fine Chemicals Co., Ltd.	Other related-party transactions
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 Yingta Security & Preservation Systems Co., Ltd.	Other related-party transactions
Jiangsu Oriental Yingta Security Service Co., Ltd.	Other related-party transactions
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
Jiangsu Shengze Oriental Development Co., Ltd.	Other related-party transactions

Other related party	Relationship with the Company
Lianyungang Hongyang Thermoelectricity Co., Ltd.	Other related-party transactions
Shenghong (Suzhou) Group Co., Ltd.	Controlled by the same actual controller
Shenghong Ligend Power Technology (Suzhou) Co., Ltd.	Controlled by the same actual controller
Shenghong 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-party transactions
Suzhou Huaxia Group Co., Ltd.	Other related-party transactions
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-party transactions
Suzhou Shenglian Industrial Water Co., Ltd.	Other related-party transactions
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-party transactions
Suzhou Suzhen Thermal Power Co., Ltd.	Other related-party transactions
Suzhou Wujiang CNPC Kunlun Gas Co., Ltd.	Other related-party transactions
Suzhou Xinmin Printing and Dyeing Co., Ltd.	Controlled by the same actual controller
Wujiang Oriental Market Supply Chain Service Co., Ltd.	Other related-party transactions
Wujiang Feixiang Printing and Dyeing Co., Ltd.	Controlled by the same actual controller
Wujiang Jiayu Industrial Development Co., Ltd.	Other related-party transactions
Wujiang Pengxiang Real Estate Development Co., Ltd.	Other related-party transactions
Wujiang Rongwei Jet Weaving Factory	Other related-party transactions
Xintiandi Textile Printing and Dyeing (Jiaxing) Co., Ltd.	Controlled by the same actual controller
Yu Xiaofang	Other related-party transactions

5. Related transactions

(1) Related transaction on purchase or sales of goods and rendering or receipt of services

Purchase of goods/receipt of services

Unit: RMB

Related party	Contents of related transactions	Year 2024	Transaction limit approved	Whether the transaction limit is exceeded	Year 2023
Shenghong Group Co., Ltd.	Purchase of energy and processing fees	82,663,944.18	100,300,000.00	No	90,160,875.61
Jiangsu Dongfang Yingta Security & Preservation Systems Co., Ltd.	Safe-protection services, etc.				197,103.36

Related party	Contents of related transactions	Year 2024	Transaction limit approved	Whether the transaction limit is exceeded	Year 2023
Jiangsu Oriental Yingta Security & Preservation Systems Co., Ltd.	Security services, etc.	141,645.86	280,000.00	No	
Jiangsu Oriental Yingta Security Service Co., Ltd.	Energy, steam, water, etc.	4,390,496.82	12,630,000.00	No	9,996,389.23
Wujiang Shenghong Wanli Hotel of Suzhou Shenghong Hotel Co., Ltd.	Meetings, catering, etc.	1,275,173.35	4,200,583.00	No	1,315,092.65
Lianyungang Hongyang Thermoelectricity Co., Ltd.	Steam	4,803,301,711.25	6,031,949,700.00	No	5,456,162,773.87
Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.	Commodities, etc.	10,171,106.35			53,110,438.90
Shenghong Petrochemical Group Co., Ltd.	Vehicles, etc.	219,368.14	570,000.00	No	209,734.51
Suzhou Oriental Yingta Property Management Co., Ltd.	Safe-protection services, etc.				96,000.00
Tianjin Polytechnic University Textile Auxiliaries Co., Ltd.	Purchase of materials	25,216,009.81	46,679,000.00	No	
Jiangsu New Vision Inspection and Certification Co., Ltd.	Commodities, etc.	11,830.18			
Suzhou Shengyuan Science and Technology Innovation Park Management Service Co., Ltd.	Welfare expenses - water and electricity expenses	394,706.10	1,644,200.00	No	
Suzhou Wujiang CNPC Kunlun Gas Co., Ltd.	Service expense	2,518,684.56	2,518,684.56	No	
Wujiang Pengxiang Real Estate Development Co.,	Property management fee	20,420.78	133,000.00	No	

Related party	Contents of related transactions	Year 2024	Transaction limit approved	Whether the transaction limit is exceeded	Year 2023
Ltd.					
Total		4,930,325,097.38			5,611,248,408.13

Remarks: Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd. was merged by the Company in March 2024 in the manner of combination not under common control, and the related party transactions are disclosed in the transactions from January to March 2023.

Table of sales of goods/rendering of services

Unit: RMB

Related party	Contents of related transactions	Year 2024	Year 2023
Shenghong Group Co., Ltd.	Goods or energy, etc.	57,595,375.33	41,708,926.02
Jiangsu Shenghong Import and Export Co., Ltd.	Warehousing and terminal services		408,135.92
Wujiang Jiayu Industrial Development Co., Ltd.	Warehousing and terminal services	51,039,911.33	77,648,555.20
Wujiang Feixiang Printing and Dyeing Co., Ltd.	Steam or water	6,590,119.19	6,603,646.38
Wujiang Oriental Market Supply Chain Service Co., Ltd.	Steam or water	1,915,497.19	891,807.18
Shenghong Petrochemical Group Co., Ltd.	Goods, water, electricity, sewage treatment	6,431.37	88,883.74
Jiangsu Shengze Oriental Development Co., Ltd.	Steam	480,321.16	487,985.40
Lianyungang Hongyang Thermoelectricity Co., Ltd.	Commodity	202,887,558.34	249,471,667.85
Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.	Commodities, etc.		59,414,852.63
Jiangsu Shengbang New Materials Co., Ltd.	Provision of services	2,679,245.29	
Jiaxing Jiasheng New Material Technology Co., Ltd.	Provision of services	70,771.69	
Jiaxing Jiasheng Printing and Dyeing Co., Ltd.	Provision of services	96,245.28	
Shenghong Holding Group Co., Ltd.	Vehicle transfer	38,938.05	
Suzhou Pingwang Bleaching and Dyeing Co., Ltd.	Provision of services	112,153.78	
Suzhou Shenglian Industrial Water Co., Ltd.	Water and electricity and other miscellaneous expenses	9,203.28	
Suzhou Shengze Urban Organic Renewal Development Co., Ltd.	Property management fees for water, electricity and public facilities	170,777.38	
Suzhou Xinmin Printing and Dyeing Co., Ltd.	Provision of services	69,067.93	
Shenghong Legend Power Technology	Vehicle transfer	604,268.11	

(Suzhou) Co., Ltd.			
Xintiandi Textile Printing and Dyeing (Jiaxing) Co., Ltd.	Provision of services	387,880.18	
Total		324,753,764.88	436,724,460.32

(2) Management on commission/ contract and commissioned management/ sub-contract

None

(3) Related-party leases

The Company acted as the lessor:

Unit: RMB

Name of lessee	Type of leased assets	Lease revenue recognized in 2024	Lease revenue recognized in 2023
Shenghong Group Co., Ltd.	Leasing of transformer and auxiliary facilities	7,646,017.70	10,767,441.22
Shenghong Petrochemical Group Co., Ltd.	House rent	25,959.96	
Yu Xiaofang	House rent	146,705.69	146,639.46
Lianyungang Hongyang Thermoelectricity Co., Ltd.	Pipeline location leasing	129,189.83	
Total		7,947,873.18	10,914,080.68

The Company acted as the lessee:

Unit: RMB

Name of lessee	Type of leased assets	Year 2024					Year 2023				
		Rental expenses for short-term leases and leases of low-value assets subject to simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Cash paid for rent	Interest expenses on lease liabilities	Right-of-use assets increased	Rental expenses for short-term leases and leases of low-value assets subject to simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Cash paid for rent	Interest expenses on lease liabilities	Right-of-use assets increased
Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.	House rent	1,856,746.98									

(4) Related-party guarantees

The Company acted as the guarantor:

None

The Company acted as the guaranteed party:

Unit: RMB ten thousand, USD ten thousand, EUR ten thousand, JPY ten thousand

Guarantor	Guaranteed amount	Commencement date of guarantee	Maturity date of guarantee	Whether the performance of the guarantee has been completed
Shenghong Group Co., Ltd., Shenghong (Suzhou) Group Co., Ltd., Shenghong Petrochemical Group Co., Ltd., Miao Han'gen, Zhu Hongmei, Tang Jinkui, Zhu Yuqin	4,150,000.00	November 13, 2020	November 12, 2038	No
Miao Hangen, Zhu Hongmei	80,000.00	September 20, 2019	September 20, 2032	No
Miao Hangen, Zhu Hongmei	20,000.00	September 20, 2019	September 20, 2032	No
Miao Hangen, Zhu Hongmei	75,000.00	September 20, 2019	September 20, 2032	No
Miao Hangen, Zhu Hongmei	50,000.00	September 20, 2019	September 20, 2032	No
Miao Hangen, Zhu Hongmei	30,000.00	September 20, 2019	September 20, 2032	No
Miao Hangen, Zhu Hongmei	15,000.00	September 20, 2019	September 20, 2032	No
Shenghong Holding Group Co., Ltd.	30,000.00	January 19, 2020	January 19, 2028	No
Shenghong Holding Group Co., Ltd.	30,000.00	March 27, 2024	March 28, 2029	No
Shenghong Holding Group Co., Ltd.	20,000.00	May 23, 2024	May 24, 2029	No
Shenghong Holding Group Co., Ltd.	285,000.00	July 26, 2023	June 21, 2033	No
Shenghong Holding Group Co., Ltd.	80,000.00	October 19, 2023	October 15, 2034	No
Jiangsu Shenghong New Material Group Co., Ltd.	25,000.00	January 11, 2023	January 10, 2028	No
Jiangsu Shenghong New Material Group Co., Ltd.	35,000.00	February 1, 2023	January 1, 2028	No
Jiangsu Shenghong New Material Group Co., Ltd.	35,000.00	February 18, 2024	August 4, 2028	No
Shenghong (Suzhou) Group Co., Ltd.	15,000.00	November 11, 2024	April 11, 2028	No
Jiangsu Shenghong Technology Co., Ltd.	15,000.00	March 23, 2024	March 25, 2030	No
Shenghong (Suzhou) Group Co., Ltd., Miao Han'gen and Zhu Hongmei	119,000.00	June 28, 2019	June 27, 2028	No
Shenghong Holding Group Co., Ltd.	EUR 223.04	December 12, 2024	June 15, 2027	No
Shenghong Holding Group Co., Ltd.	46,000.00	September 6, 2021	August 30, 2044	No

Guarantor	Guaranteed amount	Commencement date of guarantee	Maturity date of guarantee	Whether the performance of the guarantee has been completed
Shenghong Holding Group Co., Ltd.	55,000.00	January 28, 2022	December 21, 2044	No
Shenghong Holding Group Co., Ltd.	22,500.00	September 23, 2022	November 22, 2034	No
Shenghong Holding Group Co., Ltd.	130,000.00	December 12, 2023	December 15, 2033	No
Shenghong Holding Group Co., Ltd. and Lianyungang Xuwei Port Holdings Group Co., Ltd. gurantees	30,000.00	December 15, 2021	December 13, 2035	No
Jiangsu Shenghong Technology Co., Ltd., Shenghong Group Co., Ltd., Suzhou Huaxia Group Co., Ltd., Miao Han'gen and Zhu Hongmei	611,500.00	April 25, 2014	April 24, 2028	No
Jiangsu Shenghong Technology Co., Ltd., Shenghong Group Co., Ltd., Suzhou Huaxia Group Co., Ltd., Miao Han'gen and Zhu Hongmei	USD 32,500	June 10, 2014	April 24, 2028	No
Jiangsu Shenghong Technology Co., Ltd., Shenghong Group Co., Ltd., Suzhou Huaxia Group Co., Ltd., Miao Han'gen and Zhu Hongmei	47,000.00	June 30, 2016	April 24, 2028	No
Jiangsu Shenghong New Material Group Co., Ltd., Shenghong Holding Group Co., Ltd. , Shenghong Group Co., Ltd., Suzhou Huaxia Group Co., Ltd., Miao Han'gen and Zhu Hongmei	213,262.00	June 27, 2018	June 27, 2029	No
Miao Han'gen and Zhu Hongmei	84,000.00	April 15, 2024	April 14, 2028	No
Shenghong Holding Group Co., Ltd., Shenghong Petrochemical Group Co., Ltd., Miao Han'gen, and Zhu Hongmei	500,000.00	May 13, 2021	April 18, 2034	No
Shenghong Holding Group Co., Ltd.	EUR 410.84	November 13, 2023	September 30, 2026	No
Shenghong Holding Group Co., Ltd.	EUR 9.40	December 25, 2023	February 12, 2027	No
Shenghong Holding Group Co., Ltd.	EUR 3.96	January 30, 2024	November 15, 2026	No
Shenghong Holding Group Co., Ltd.	EUR 787.65	March 13, 2024	March 22, 2027	No
Shenghong Holding Group Co., Ltd.	EUR 61.70	March 13, 2024	February 21, 2027	No
Shenghong Holding Group Co., Ltd.	EUR 1,260.28	March 18, 2024	March 22, 2027	No
Shenghong Holding Group Co., Ltd.	EUR 27.97	June 17, 2024	February 7, 2027	No

Guarantor	Guaranteed amount	Commencement date of guarantee	Maturity date of guarantee	Whether the performance of the guarantee has been completed
Shenghong Holding Group Co., Ltd.	EUR 73.28	July 5, 2024	March 14, 2027	No
Shenghong Holding Group Co., Ltd.	EUR 9.05	August 1, 2024	October 15, 2026	No
Shenghong Holding Group Co., Ltd.	JPY 16,000.00	August 28, 2024	February 5, 2027	No
Shenghong Holding Group Co., Ltd.	USD 174.70	October 14, 2024	March 14, 2027	No
Shenghong Holding Group Co., Ltd.	EUR 838.78	October 14, 2024	April 17, 2027	No
Shenghong Holding Group Co., Ltd.	USD 9.05	December 19, 2024	April 15, 2027	No
Shenghong (Suzhou) Group Co., Ltd.	66,400.00	November 29, 2021	November 29, 2028	No
Miao Han'gen and Zhu Hongmei	150,000.00	June 3, 2024	December 23, 2028	No
Jiangsu Shenghong New Material Group Co., Ltd.	12,000.00	November 29, 2024	November 28, 2028	No
Jiangsu Shenghong New Material Group Co., Ltd.	12,000.00	December 3, 2024	December 2, 2028	No
Jiangsu Shenghong Technology Co., Ltd., Miao Han'gen and Zhu Hongmei	43,000.00	January 30, 2018	December 25, 2028	No
Shenghong Holding Group Co., Ltd.	75,000.00	December 15, 2020	June 8, 2032	No
Miao Han'gen and Zhu Hongmei	19,200.00	June 3, 2024	May 7, 2028	No
Jiangsu Shenghong New Material Group Co., Ltd.	40,000.00	May 28, 2021	May 28, 2028	No
Shenghong (Suzhou) Group Co., Ltd.	50,000.00	August 8, 2024	April 15, 2029	No
Shenghong Holding Group Co., Ltd.	30,000.00	September 9, 2024	September 9, 2028	No
Shenghong Holding Group Co., Ltd.	EUR 23.46	October 23, 2024	January 10, 2027	No

(5) Loans from and to related parties

Unit: RMB

Related party	December 31, 2023 Lending/borrowing balance	Borrowings in 2024	Repayment in 2024	12/31/2024 Lending/borrowing balance	Provision in 2024 Interest on lending/borrowing
Shenghong Petrochemical Group Co., Ltd.	306,763,200.00		306,763,200.00	0.00	

Related party	December 31, 2023 Lending/borrowing balance	Borrowings in 2024	Repayment in 2024	12/31/2024 Lending/borrowing balance	Provision in 2024 Interest on lending/borrowing
Hongwei (Lianyungang) Fine Chemicals Co., Ltd.	41,236,800.00		41,236,800.00	0.00	
Total	348,000,000.00		348,000,000.00	0.00	

(6) Asset transfer and debt restructuring of related parties

None

(7) Remuneration of key officers

Unit: RMB '0,000

Item	Year 2024	Year 2023
Remuneration of key management personnel	2,559.16	2,003.72

(8) Other related party transactions

None

6. Receivables from and payables to related parties**(1) Receivables**

Unit: RMB

Item name	Related party	Book balance as at December 31, 2024	Book balance as at January 1, 2024
Accounts receivable			
	Shenghong Petrochemical Group Co., Ltd.	36,940.48	35,224.46
	Lianyungang Hongyang Thermoelectricity Co., Ltd.	32,834,374.43	252,246,880.64
	Wujiang Jiayu Industrial Development Co., Ltd.	5,742,668.83	19,071,672.43
	Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.		50,974,773.26
	Shenghong Group Co., Ltd.	5,649,565.87	5,543,062.55
	Wujiang Feixiang Printing and Dyeing Co., Ltd.	877,479.64	808,747.31
	Jiangsu Shengze Oriental Development Co., Ltd.		2,316.32
	Jiaying Jiasheng New Material Technology Co., Ltd.	5,065.00	
	Jiaying Jiasheng Printing and Dyeing Co., Ltd.	10,739.00	
	Jiangsu Shengbang New Materials Co., Ltd.	600,000.00	

Item name	Related party	Book balance as at December 31, 2024	Book balance as at January 1, 2024
	Suzhou Pingwang Bleaching and Dyeing Co., Ltd.	8,590.00	
	Suzhou Xinmin Printing and Dyeing Co., Ltd.	13,297.00	
	Xintiandi Textile Printing and Dyeing (Jiaxing) Co., Ltd.	26,655.00	
	Sub-total	45,805,375.25	328,682,676.97
Advances to suppliers			
	Lianyungang Hongyang Thermoelectricity Co., Ltd.	441,193.60	
	Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.		11,115,017.87
Other receivables			
	Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.		1,281,236.13

(2) Payables

Unit: RMB

Item name	Related party	Book balance as at December 31, 2024	Book balance as at January 1, 2024
Accounts payable			
	Lianyungang Hongyang Thermoelectricity Co., Ltd.	162,105,848.63	1,763,699,075.82
	Suzhou Suzhen Thermal Power Co., Ltd.	184,967.75	629,950.84
	Shenghong Group Co., Ltd.	1,149,188.36	
	Wujiang Shenghong Wanli Hotel of Suzhou Shenghong Hotel Co., Ltd.	0.90	
	Tianjin Polytechnic University Textile Auxiliaries Co., Ltd.	3,745,593.28	
	Jiangsu New Vision Advanced Functional Fiber Innovation Center Co., Ltd.		1,884.00
	Sub-total	167,185,598.92	1,764,330,910.66
Other payables			
	Yu Xiaofang	15,500.00	
	Shenghong Petrochemical Group Co., Ltd.		349,969,110.32
	Hongwei (Lianyungang) Fine Chemicals Co., Ltd.		41,236,800.00
	Sub-total	15,500.00	391,205,910.32

Item name	Related party	Book balance as at December 31, 2024	Book balance as at January 1, 2024
Dividends payable			
	Shenghong Petrochemical Group Co., Ltd.		40,000,000.00
Advances from customers			
	Yu Xiaofang	134,584.17	134,617.29
Contract liabilities and other current liabilities			
	Wujiang Oriental Market Supply Chain Service Co., Ltd.	25,702.28	63,807.68
	Jiangsu Shengze Oriental Development Co., Ltd.	8,885.95	
	Sub-total	34,588.23	63,807.68

XV. Commitments and contingencies

1. Significant commitments

Significant commitments on the balance sheet date

Miao Han'gen, Zhu Hongmei and their controlled enterprises and 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 430 million for Jiangsu Ganghong Fiber Co., Ltd., the maximum joint and several liability guarantee of RMB 1.19 billion for Jiangsu Shenghong Petrochemical Industry Group Co., Ltd., the maximum joint and several liability guarantee of RMB 3.65 billion 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 6,640 million for Jiangsu Eastern Shenghong Co., Ltd., the maximum joint and several liability guarantee of RMB 3,000 million for Lianyungang Hongyang Port Storage and Transportation Co., Ltd., the maximum joint and several liability guarantee of RMB 500 million for shared quota by 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 amounting to RMB 41.5 billion for Shenghong Refining & Chemical (Lianyungang) Co., Ltd., the maximum joint and several liability guarantee of RMB 840 million and the guarantee for consortium loans of RMB 13,247.6200 million for Jiangsu Sierbang Petrochemical Co., Ltd.

2. Contingencies

(1) Significant contingencies existing on balance-sheet date

As at December 31, 2024, the Company has no significant pending litigations.

(2) Contingent liabilities arising from debt guarantee provided for other entities and financial impact thereof

As at December 31, 2024, details of mutual guarantee provided between the Company and subsidiaries and between subsidiaries are as follows:

Unit: RMB '0,000

Guarantor	Guaranteed party	Amount of guarantee used	Commencement date of guarantee	Due date of guarantee	Whether or not the guarantee performance has been completed
Company and subsidiaries:					
Jiangsu Eastern	Shenghong Refining & Chemical	3,670,554.84	November 13,	November	No

Guarantor	Guaranteed party	Amount of guarantee used	Commencement date of guarantee	Due date of guarantee	Whether or not the guarantee performance has been completed
Shenghong Co., Ltd.	(Lianyungang) Co., Ltd.		2020	12, 2038	
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	344,000.00	June 30, 2022	June 29, 2036	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	350,000.00	August 28, 2024	August 23, 2029	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	149,031.00	September 26, 2023	September 25, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	150,000.00	July 25, 2024	July 25, 2029	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	100,000.00	August 28, 2024	August 28, 2029	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	140,000.00	October 28, 2024	October 31, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	47,500.00	September 29, 2024	September 30, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	0.00	December 26, 2024	December 31, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	146,211.77	November 1, 2024	October 20, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	123,220.68	July 19, 2024	November 20, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	167,614.43	December 17, 2024	December 16, 2028	No
Jiangsu Eastern Shenghong	Shenghong Refining & Chemical (Lianyungang) Co.,	57,397.33	February 26, 2024	June 25, 2028	No

Guarantor	Guaranteed party	Amount of guarantee used	Commencement date of guarantee	Due date of guarantee	Whether or not the guarantee performance has been completed
Co., Ltd.	Ltd.				
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	411,412.71	February 26, 2024	June 25, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	60,000.00	May 24, 2024	May 20, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	94,656.10	January 12, 2024	January 12, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	56,594.60	August 29, 2024	August 16, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	219,622.17	August 29, 2024	November 7, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	30,000.00	February 8, 2024	July 9, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	155,000.00	June 5, 2024	June 4, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	49,998.65	December 31, 2024	December 31, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	90,012.66	May 22, 2024	May 22, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	70,000.00	December 4, 2024	December 4, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	92,565.28	September 15, 2023	September 15, 2031	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	USD8,000.00	March 14, 2024	March 14, 2028	No

Guarantor	Guaranteed party	Amount of guarantee used	Commencement date of guarantee	Due date of guarantee	Whether or not the guarantee performance has been completed
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	9,999.28	November 21, 2024	September 30, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	215,671.97	December 1, 2024	November 29, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	4,940.00	October 28, 2024	March 20, 2025	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	33,210.41	November 29, 2024	December 31, 2027	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	50,000.00	December 20, 2024	December 19, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	USD 0.00	February 21, 2023	February 21, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	USD 0.00	May 21, 2024	No maturity date	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Honggang Petrochemical Co., Ltd.	50,383.00	September 20, 2019	September 20, 2032	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Honggang Petrochemical Co., Ltd.	10,634.00	September 20, 2019	September 20, 2032	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Honggang Petrochemical Co., Ltd.	56,944.44	September 20, 2019	September 20, 2032	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Honggang Petrochemical Co., Ltd.	37,962.96	September 20, 2019	September 20, 2032	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Honggang Petrochemical Co., Ltd.	22,777.78	September 20, 2019	September 20, 2032	No
Jiangsu	Jiangsu Honggang	11,442.26	September 20,	September	No

Guarantor	Guaranteed party	Amount of guarantee used	Commencement date of guarantee	Due date of guarantee	Whether or not the guarantee performance has been completed
Eastern Shenghong Co., Ltd.	Petrochemical Co., Ltd.		2019	20, 2032	
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	50,000.00	July 19, 2024	January 17, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	152,000.00	December 11, 2024	June 10, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	108,500.00	December 11, 2024	March 11, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	0.00	October 20, 2023	December 31, 2027	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	150,000.00	September 11, 2023	September 11, 2027	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	USD 21,585.54	July 19, 2023	December 31, 2024	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Hongjing New Materials Co., Ltd.	812,375.00	March 24, 2023	March 23, 2041	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	20,000.00	February 18, 2024	September 22, 2027	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	30,000.00	November 26, 2024	August 23, 2029	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	35,000.00	June 28, 2023	June 28, 2028	No

Guarantor	Guaranteed party	Amount of guarantee used	Commencement date of guarantee	Due date of guarantee	Whether or not the guarantee performance has been completed
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	25,000.00	August 17, 2023	August 22, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	20,000.00	December 16, 2024	December 17, 2029	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	60,000.00	March 8, 2024	November 10, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	10,000.00	January 2, 2024	December 15, 2027	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	0.00	November 29, 2024	September 29, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	31,000.00	July 19, 2024	July 17, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	62,522.47	December 6, 2023	December 31, 2027	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	6,477.53	November 28, 2024	December 31, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	10,416.67	January 29, 2023	January 15, 2029	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	12,500.00	January 29, 2023	January 15, 2029	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	13,500.00	February 7, 2024	February 15, 2030	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	20,250.00	February 7, 2024	February 15, 2030	No
Jiangsu	Jiangsu Sierbang	43,000.00	April 15, 2024	April 14,	No

Guarantor	Guaranteed party	Amount of guarantee used	Commencement date of guarantee	Due date of guarantee	Whether or not the guarantee performance has been completed
Eastern Shenghong Co., Ltd.	Petrochemical Co., Ltd.			2028	
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	5,000.00	April 25, 2023	April 24, 2027	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	24,898.14	August 29, 2024	October 15, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	24,950.42	August 29, 2024	November 8, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	27,000.00	June 25, 2023	June 25, 2031	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	5,000.00	March 28, 2024	March 28, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	30,000.00	March 28, 2024	December 31, 2027	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	25,000.00	April 28, 2024	April 28, 2027	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Sierbang Petrochemical Co., Ltd.	54,829.14	December 17, 2024	December 17, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Hongwei Chemical Co., Ltd.	242,604.24	February 6, 2023	March 23, 2037	No
Jiangsu Eastern Shenghong Co., Ltd.	Lianyungang Rongtai Chemical Warehousing Co., Ltd.	5,000.00	October 29, 2024	October 28, 2032	No
Jiangsu Eastern Shenghong Co., Ltd.	Shenghong (Shanghai) New Material Technology Co., Ltd.	262.76	October 31, 2024	September 21, 2037	No
Jiangsu Eastern	Jiangsu Guowang High-tech Fibre Co.,	94,700.00	January 1, 2024	November 30, 2028	No

Guarantor	Guaranteed party	Amount of guarantee used	Commencement date of guarantee	Due date of guarantee	Whether or not the guarantee performance has been completed
Shenghong Co., Ltd.	Ltd.				
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	EUR518.57	January 1, 2024	November 30, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	4,148.60	March 25, 2024	May 22, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	39,816.97	November 29, 2024	November 28, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	39,999.67	February 8, 2024	February 8, 2029	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	30,000.00	July 24, 2023	April 23, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	20,000.00	February 6, 2023	May 6, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	112,952.08	March 26, 2024	March 21, 2034	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	50,000.00	February 29, 2024	February 28, 2030	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	9,900.00	November 9, 2023	April 11, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	0.00	March 11, 2024	March 10, 2025	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	25,000.00	May 12, 2022	May 16, 2029	No
Jiangsu Eastern Shenghong	Jiangsu Guowang High-tech Fibre Co., Ltd.	736.90	September 26, 2023	January 23, 2028	No

Guarantor	Guaranteed party	Amount of guarantee used	Commencement date of guarantee	Due date of guarantee	Whether or not the guarantee performance has been completed
Co., Ltd.					
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	28,284.39	September 18, 2024	December 9, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	23,000.00	August 19, 2024	November 5, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	60,000.00	November 27, 2024	November 20, 2029	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	1,400.00	April 9, 2024	April 7, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	15,000.00	April 22, 2024	April 21, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	15,000.00	December 6, 2024	December 4, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Guowang High-tech Fibre Co., Ltd.	10,000.00	December 17, 2024	December 17, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Reborn Eco-tech Co., Ltd.	30,932.37	January 20, 2022	January 20, 2032	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Reborn Eco-tech Co., Ltd.	30,932.37	January 20, 2022	January 20, 2032	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Reborn Eco-tech Co., Ltd.	38,163.00	December 21, 2021	December 20, 2031	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Reborn Eco-tech Co., Ltd.	25,442.00	December 21, 2021	December 20, 2031	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Reborn Eco-tech Co., Ltd.	103,837.74	March 24, 2022	March 24, 2033	No

Guarantor	Guaranteed party	Amount of guarantee used	Commencement date of guarantee	Due date of guarantee	Whether or not the guarantee performance has been completed
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Reborn Eco-tech Co., Ltd.	32,982.07	June 1, 2022	May 31, 2028	No
Jiangsu Eastern Shenghong Co., Ltd.	Guowang High-tech Fibre (Suqian) Co., Ltd.	40,921.00	August 23, 2021	March 1, 2031	No
Jiangsu Eastern Shenghong Co., Ltd.	Guowang High-tech Fibre (Suqian) Co., Ltd.	37,639.00	August 23, 2021	March 1, 2031	No
Jiangsu Eastern Shenghong Co., Ltd.	Guowang High-tech Fibre (Suqian) Co., Ltd.	57,282.00	August 23, 2021	March 1, 2031	No
Jiangsu Eastern Shenghong Co., Ltd.	Guowang High-tech Fibre (Suqian) Co., Ltd.	36,828.00	August 23, 2021	March 1, 2031	No
Jiangsu Eastern Shenghong Co., Ltd.	Guowang High-tech Fibre (Suqian) Co., Ltd.	17,348.00	August 23, 2021	March 1, 2031	No
Jiangsu Eastern Shenghong Co., Ltd.	Guowang High-tech Fibre (Suqian) Co., Ltd.	26,022.00	August 23, 2021	March 1, 2031	No
Jiangsu Eastern Shenghong Co., Ltd.	Guowang High-tech Fibre (Suqian) Co., Ltd.	USD 1,854.72	December 7, 2022	Two years from the maturity date of main debt performance	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Zhonglu Technology Development Co., Ltd.	15,000.00	October 31, 2024	October 30, 2030	No
Jiangsu Eastern Shenghong Co., Ltd.	Jiangsu Shengze Gas Turbine Thermal Power Co., Ltd.	49,000.00	September 10, 2019	September 10, 2037	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Eastern Shenghong Co., Ltd.	95,400.00	January 1, 2022	December 28, 2029	No
Jiangsu Guowang High-tech	Jiangsu Eastern Shenghong Co., Ltd.	12,600.00	February 28, 2022	December 28, 2029	No

Guarantor	Guaranteed party	Amount of guarantee used	Commencement date of guarantee	Due date of guarantee	Whether or not the guarantee performance has been completed
Fibre Co., Ltd.					
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Eastern Shenghong Co., Ltd.	12,000.00	March 29, 2022	December 28, 2029	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Eastern Shenghong Co., Ltd.	48,000.00	April 15, 2022	December 28, 2029	No
Jiangsu Shenghong Petrochemical Industry Group Co., Ltd. and its pledged equity interests in Guanghong Industrial and Shenghong Petrochemical Port Storage and Transportation	Jiangsu Eastern Shenghong Co., Ltd.	96,000.00	December 8, 2023	December 1, 2028	No
Jiangsu Shenghong Petrochemical Industry Group Co., Ltd. and its pledged equity interests in Guanghong Industrial and Shenghong Petrochemical Port Storage and Transportation	Jiangsu Eastern Shenghong Co., Ltd.	39,520.00	December 8, 2023	December 1, 2028	No
Between subsidiaries:					
Jiangsu Shenghong Petrochemical Industry Group Co., Ltd. and its pledged equity interests in Sierbang Petrochemical	Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	3,670,554.84	September 22, 2023	November 12, 2038	No

Guarantor	Guaranteed party	Amount of guarantee used	Commencement date of guarantee	Due date of guarantee	Whether or not the guarantee performance has been completed
Shenghong Refining & Chemical (Lianyungang) Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	USD 0.00	April 15, 2023	April 15, 2025	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Shenghong Petrochemical (Singapore) International Co., Ltd.	70,000.00	February 5, 2024	July 9, 2028	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Shenghong Petrochemical Industry Group Co., Ltd.	18,000.00	September 8, 2024	December 8, 2028	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Reborn Eco-tech Co., Ltd.	9,999.69	May 22, 2024	December 9, 2025	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Zhonglu Technology Development Co., Ltd.	10,355.42	November 8, 2024	May 28, 2029	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Zhonglu Technology Development Co., Ltd.	10,616.00	December 20, 2023	February 12, 2028	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Zhonglu Technology Development Co., Ltd.	20,000.00	December 25, 2024	December 30, 2028	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Zhonglu Technology Development Co., Ltd.	10,000.00	July 23, 2024	October 22, 2028	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Ganghong Fiber Co., Ltd.	13,600.00	January 30, 2018	December 25, 2028	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Ganghong Fiber Co., Ltd.	41,404.00	June 28, 2021	July 6, 2031	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Ganghong Fiber Co., Ltd.	20,000.00	December 24, 2024	December 23, 2028	No
Jiangsu Guowang High-tech	Jiangsu Ganghong Fiber Co., Ltd.	5,000.00	November 9, 2023	March 26, 2028	No

Guarantor	Guaranteed party	Amount of guarantee used	Commencement date of guarantee	Due date of guarantee	Whether or not the guarantee performance has been completed
Fibre Co., Ltd.					
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Ganghong Fiber Co., Ltd.	30,000.00	October 17, 2024	April 29, 2028	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Ganghong Fiber Co., Ltd.	22,000.00	December 20, 2023	January 14, 2029	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Ganghong Fiber Co., Ltd.	1,000.00	December 10, 2024	June 11, 2029	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Jiangsu Ganghong Fiber Co., Ltd.	20,000.00	December 10, 2024	December 13, 2028	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Suzhou Shenghong Fiber Co., Ltd.	16,649.83	December 20, 2023	December 5, 2028	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Suzhou Shenghong Fiber Co., Ltd.	11,980.71	November 8, 2024	June 26, 2028	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Suzhou Shenghong Fiber Co., Ltd.	17,300.00	January 23, 2024	June 27, 2028	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Suzhou Shenghong Fiber Co., Ltd.	EUR51.50	January 23, 2024	June 27, 2028	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Suzhou Shenghong Fiber Co., Ltd.	31,560.00	February 2, 2024	January 1, 2029	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Suzhou Shenghong Fiber Co., Ltd.		September 27, 2024	September 26, 2025	No
Jiangsu Guowang High-tech Fibre Co., Ltd.	Suzhou Suzhen Biological Engineering Co., Ltd.	5,000.00	November 9, 2023	March 18, 2028	No

XVI. Post balance sheet events

1. Profit distribution

According to the Proposal on Profit Distribution Plan for 2024 deliberated and adopted at the 26th meeting of the

9th Board of Directors and the 15th meeting of the 9th Board of Supervisors held on April 27, 2025, the Company's profit distribution plan for 2024 is as follows: the Company will not distribute cash dividends and bonus shares and will not convert reserves into share capital. This proposal still needs to be deliberated and adopted at the general meeting of shareholders of the Company.

XVII. 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 cause revenue or expense 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.

Reporting segments of the Company include: ① 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. This measurement basis is consistent with the accounting and measurement basis used in preparing the financial statements.

(2) Financial information of reportable segments

Unit: RMB

Item	Fiber segment	Electricity and heat segment	Petrochemical segment	Headquarters and others	Inter-segment offset	Total
Operating income	27,260,332,470.86	990,666,870.60	117,413,182,853.30	122,269,442.58	-8,111,894,470.49	137,674,557,166.85
Operating costs	25,396,621,949.14	676,841,907.89	107,993,615,233.92	48,547,834.91	-8,053,508,794.79	126,062,118,131.07
Total profits	651,781,331.73	272,297,531.79	-3,853,958,049.08	-749,899,514.46	-33,903,720.78	-3,713,682,420.80
Total assets	33,687,676,405.69	2,263,234,527.20	171,319,302,835.04	58,388,223,716.35	61,345,948,782.39	204,312,488,701.89
Total liabilities	19,841,900,850.61	805,782,325.34	134,385,009,625.01	19,605,021,304.37	-7,797,369,282.97	166,840,344,822.36

XVIII. Notes to the main items of the parent company's financial statements

1. Accounts receivable

(1) Disclosure by aging

Unit: RMB

Aging	Book balance as at December 31, 2024	Book balance as at January 1, 2024
Within 1 year (including 1 year)	71,473,945.27	136,212,780.30
1 - 2 years (including 2 years)	50,974,773.26	244.25
2 - 3 years (including 3 years)		
Over 3 years	554,632.00	554,632.00
Sub-total	123,003,350.53	136,767,656.55
Less: provision for bad debts	2,836,284.99	3,203,308.69
Total	120,167,065.54	133,564,347.86

(2) Disclosure under the methods of provision for bad debts by category

Unit: RMB

Type	Balance as at December 31, 2024					Balance as at January 1, 2024				
	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 on an individual basis										
Provision for bad debts made by portfolio with credit risk characteristics	123,003,350.53	100.00%	2,836,284.99	2.31%	120,167,065.54	136,767,656.55	100.00%	3,203,308.69	2.34%	133,564,347.86
Total	123,003,350.53	100.00%	2,836,284.99		120,167,065.54	136,767,656.55	100.00%	3,203,308.69		133,564,347.86

Provision for bad debts made by portfolio:

Unit: RMB

Name	Balance as at December 31, 2024		
	Book balance	Provision for bad debts	Proportion of provision
Portfolio of related parties	76,815,658.77		
Accounts receivable with the provision for bad debts made by the aging analysis method	46,187,691.76	2,836,284.99	6.14%
Total	123,003,350.53	2,836,284.99	

(3) Provision, recovery or reversal of provision for bad debts in 2024

Provision for bad debts in 2024:

Unit: RMB

Type	Balance as at January 1, 2024	Increase or decrease in 2024				Balance as at December 31, 2024
		Provision	Recovery or reversal	Charge-off	Others	
Provision for bad debts of accounts receivable	3,203,308.69		367,023.70			2,836,284.99
Total	3,203,308.69		367,023.70			2,836,284.99

Recovery or reversal of significant amount of provision for bad debts in 2024:

None

(4) Accounts receivable actually charged off in 2024

None

(5) Top 5 of accounts receivable as at December 31, 2024, presented by the debtor

Unit: RMB

Enterprise name	Balance of accounts receivable as at December 31, 2024	Proportion in the total balance of accounts receivable as at December 31, 2024	Balance of provision for bad debts of accounts receivable as at December 31, 2024
Entity No.1	50,974,773.26	41.44%	
Entity No.2	19,364,508.00	15.74%	
Entity No.3	9,825,927.48	7.99%	491,296.37
Entity No.4	5,603,478.87	4.56%	
Entity No.5	4,007,164.19	3.26%	200,358.21
Total	89,775,851.80	72.99%	691,654.58

2. Other receivables

Unit: RMB

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Other receivables	1,478,957,507.14	2,694,026,900.58
Total	1,478,957,507.14	2,694,026,900.58

(1) Other receivables**1) Disclosure by aging**

Unit: RMB

Aging	Book balance as at December 31, 2024	Book balance as at January 1, 2024
Within 1 year (including 1 year)	1,098,070,837.83	2,527,322,881.08
1 - 2 years	365,984,206.13	101,914,889.04
2 - 3 years	14,910,000.00	64,800,000.00
Over 3 years	30,986.36	30,986.36
Sub-total	1,478,996,030.32	2,694,068,756.48
Less: provision for bad debts	38,523.18	41,855.90
Total	1,478,957,507.14	2,694,026,900.58

2) Disclosure under the methods of provision for bad debts by category

Unit: RMB

Type	Balance as at December 31, 2024					Balance as at January 1, 2024				
	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 on an individual basis										
Provision for bad debts made by portfolio with credit risk characteristics	1,478,996,030.32	100.00%	38,523.18	0.00%	1,478,957,507.14	2,694,068,756.48	100.00%	41,855.90	0.00%	2,694,026,900.58
Total	1,478,996,030.32	100.00%	38,523.18		1,478,957,507.14	2,694,068,756.48	100.00%	41,855.90		2,694,026,900.58

Provision for bad debts made by portfolio:

Unit: RMB

Name	Balance as at December 31, 2024		
	Book balance	Provision for bad debts	Proportion of provision
Portfolio of related parties	1,478,814,307.69		
Accounts receivable with the provision for bad debts made by the aging analysis method	181,722.63	38,523.18	21.20%
Total	1,478,996,030.32	38,523.18	

Provision for bad debts made according to the general model of expected credit losses:

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, 2024	41,855.90			41,855.90
Balance as at January 1, 2024 in 2024				
Reversal in 2024	3,332.72			3,332.72
Balance as at December 31, 2024	38,523.18			38,523.18

Changes in the book balance of other receivables are as follows:

Unit: RMB

Book balance	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 December 31, 2023	2,694,068,756.48			2,694,068,756.48
Balance as at December 31, 2023 in 2024				
-- Transferred to Stage II				
-- Transferred to Stage III				
-- Reversed to Stage II				
-- Reversed to Stage I				
Increase in 2024				
Derecognized in 2024	1,215,072,726.16			1,215,072,726.16
Other changes				
Balance as at December 31, 2024	1,478,996,030.32			1,478,996,030.32

4) Provision, recovery or reversal of provision for bad debts in 2024

Provision for bad debts in 2024:

Unit: RMB

Type	Balance as at January 1, 2024	Increase or decrease in 2024				Balance as at December 31, 2024
		Provision	Recovery or reversal	Write-off or charge-off	Others	
Provision for bad debts of other receivables	41,855.90		3,332.72			38,523.18
Total	41,855.90		3,332.72			38,523.18

Reversal or recovery of significant amount of provision for bad debts in 2024:

None

5) Other receivables actually written off in 2024

None

6) Classification by nature of payments

Unit: RMB

Nature of payment	Book balance as at December 31, 2024	Book balance as at December 31, 2023
Advances and current accounts	1,477,705,705.89	2,692,672,631.31
Various deposit and security deposit	1,284,486.13	1,381,236.13
Imprest	5,838.30	14,889.04
Total	1,478,996,030.32	2,694,068,756.48

7) Information about top 5 other receivables as at December 31, 2024, presented by debtors

Unit: RMB

Enterprise name	Nature of payment	Balance as at December 31, 2024	Aging	Proportion in the total amount of the ending balance of other receivables (%)	Balance of provision for bad debts as at December 31, 2024
Entity No.1	Current amounts	504,580,555.56	Within 1 year	34.12%	
Entity No.2	Current amounts	488,429,546.00	Within 1 year	33.02%	
Entity No.3	Current amounts	284,130,000.00	1 - 3 years	19.21%	
Entity No.4	Current amounts	111,100,000.00	1 - 2 years	7.51%	
Entity No.5	Current amounts	73,792,800.00	1 - 2 years	4.99%	
Total		1,462,032,901.56		98.85%	

3. Long-term equity investments

Unit: RMB

Item	Balance as at December 31, 2024			Balance as at January 1, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	54,038,095,047.08		54,038,095,047.08	53,427,066,165.02		53,427,066,165.02
Investments in associates and joint ventures	21,261,342.92		21,261,342.92	21,008,984.26		21,008,984.26

(1) Investment in subsidiaries

Unit: RMB

Investee	Balance (Book value) as at January 1, 2024	Balance of provision for impairment as at January 1, 2024	Increase or decrease in 2024				Balance (Book value) as at December 31, 2024	Balance of provision for impairment as at December 31, 2024
			Additional investment	Reduced investment	Provision for impairment	Others		
Jiangsu Shengze Dongfang Hengchuang Energy Co., Ltd.	120,000,000.00						120,000,000.00	
Jiangsu Shengze Gas Turbine Thermal Power Co., Ltd.	235,000,000.00		111,850,000.00				346,850,000.00	
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.	6,000,000.00		168,000,000.00				174,000,000.00	
Suzhou Shengze Market Management Co., Ltd.			331,178,882.06				331,178,882.06	
Total	53,427,066,165.02		611,028,882.06				54,038,095,047.08	

(2) Investments in associates and joint ventures

Unit: RMB

Investee	Balance (Book value) as at January 1, 2024	Balance of provision for impairment as at January 1, 2024	Increase or decrease in 2024								Balance (Book value) as at December 31, 2024	Balance of provision for impairment as at December 31, 2024
			Additional investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustment to other comprehensive income	Changes in other equity	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
I. Associates												
Tianjiao Technology Venture Capital Co., Ltd.	21,008,984.26				252,358.66						21,261,342.92	
Total	21,008,984.26				252,358.66						21,261,342.92	

4. Operating income and operating costs

Unit: RMB

Item	Year 2024		Year 2023	
	Revenue	Costs	Revenue	Costs
Primary business	943,966,704.46	634,376,284.86	988,390,420.34	695,970,772.08
Other business	44,191,132.71	624,464.08	6,295,980,759.44	6,287,604,280.67
Total	988,157,837.17	635,000,748.94	7,284,371,179.78	6,983,575,052.75

5. Investment income

Unit: RMB

Item	Year 2024	Year 2023
Long-term equity investment income calculated under the cost method		500,000,000.00
Long-term equity investment income calculated under the equity method	252,358.66	2,315,262.06
Investment income from disposal of long-term equity investments		378,801,465.42
Investment income from trading financial assets during the holding period	2,524,209.48	3,013,859.62
Investment income from disposal of trading financial assets	1,223,824.64	
Dividends income from other equity instruments invested during the holding period		976,431.36
Total	4,000,392.78	885,107,018.46

XIX. Supplementary information**1. Breakdown of current non-recurring profit or loss**☒Applicable ☐Not applicable

Unit: RMB

Item	Amount	Description
Profit or loss on disposal of non-current assets (including the write-off in accrued provision for impairment of assets)	98,582,061.14	
Government grants recognized in profit or loss for the current period (except for government grants that are closely related to the Company's normal business operations, comply with national policies, are enjoyed in accordance with defined criteria, and have a continuous impact on the Company's profit or loss)	545,663,988.88	
Profit or loss on changes in fair values of financial assets held for trading and financial liabilities held by non-financial enterprises and profit or loss on the disposal of financial assets and financial liabilities, except for effective hedging operations associated with the Company's normal operations	93,704,950.85	
Profit or loss from entrusting others to invest in or manage assets	118,549.31	
Gains from the difference between the investment costs of acquisition of subsidiaries, associates and joint ventures and share in the net fair value of the identifiable assets of the investee upon investment	2,623,546.67	
Other non-operating income and expenses than the above-mentioned items	-218,204,651.72	

Item	Amount	Description
Less: affected amount of income tax	141,235,358.66	
Affected amount of minority equity (after tax)	24,262,354.68	
Total	356,990,731.79	--

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 ordinary shareholders of the Company	-6.73%	-0.35	-0.35
Net profit attributable to common shareholders of the Company after deducting the non-recurring profit or loss	-7.78%	-0.40	-0.40

Jiangsu Eastern Shenghong Co., Ltd.

Chairman: Miao Han'gen

April 28, 2025