

**SINOSTAR PEC HOLDINGS LIMITED**  
**(Company Registration No.: 200609833N)**

This QR announcement is mandatory made pursuant to the Singapore Exchange's requirements as required under Listing Rule 705(2).

**Unaudited Financial Statement Announcement for the three months ("Q3") and 9 months ("FY") ended 30 September 2023**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

|  | Note | The Group      |             |          | The Group      |             |         |
|--|------|----------------|-------------|----------|----------------|-------------|---------|
|  |      | 3 months ended |             | +/-      | 9 months ended |             | +/-     |
|  |      | 30 September   |             |          | 30 September   |             |         |
| 2023   | 2022 |                | 2023        | 2022     |                |             |         |
|  |      | RMB'000        | RMB'000     | %        | RMB'000        | RMB'000     | %       |
| Revenue  | 4    | 1,497,480      | 1,295,947   | 15.5     | 3,772,594      | 3,476,812   | 8.5     |
| Cost of sales  |      | (1,246,392)    | (1,243,160) | 0.2      | (3,460,391)    | (3,322,619) | 4.1     |
| Gross profit   |      | 251,088        | 52,787      | 375.7    | 312,203        | 154,193     | 102.5   |
| Other Income   |      | 95,790         | 6,363       | 1,405.4  | 101,652        | 10,575      | 861.2   |
| Administrative costs                                 |      | (5,308)        | (5,695)     | (6.8)    | (18,624)       | (18,826)    | (1.1)   |
| Distribution costs                                   |      | (1,432)        | (4)         | 35,700.0 | (1,568)        | (33)        | 4,651.5 |
| Other operating expenses                             |      | (408)          | (196)       | 108.2    | (5,048)        | (271)       | 1,762.7 |
| Finance costs  |      | (8,166)        | (11,564)    | (29.4)   | (27,039)       | (36,635)    | (26.2)  |
| Profit before taxation                               | 5    | 331,564        | 41,691      | 695.3    | 361,576        | 109,003     | 231.7   |
| Income tax credit/(expense)                          | 6    | (72,276)       | (16,807)    | 330.0    | (78,582)       | (40,494)    | 94.1    |
| Net profit for the year                              |      | 259,288        | 24,884      | 942.0    | 282,994        | 68,509      | 313.1   |
| <b>Total comprehensive</b>                           |      |                |             |          |                |             |         |
| <b>Income attributable to:</b>                       |      |                |             |          |                |             |         |
| Equity holders of the Company                        |      | 190,563        | 24,844      |          | 199,220        | 39,057      |         |
| Non-controlling interests                            |      | 68,725         | -           |          | 83,774         | 29,452      |         |
|  |      | 259,288        | 24,844      |          | 282,994        | 68,509      |         |
| <b>Earnings per share</b>                            |      |                |             |          |                |             |         |
| <b>attributable to equity holders of the company</b> |      |                |             |          |                |             |         |
| <b>(RMB cents per share)</b>                         |      |                |             |          |                |             |         |
| Basic  |      | 29.78          | 3.88        |          | 31.13          | 6.10        |         |
| Diluted  |      | 29.78          | 3.88        |          | 31.13          | 6.10        |         |

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

|   | Note | The Group        |                  | The Company    |                |
|---|------|------------------|------------------|----------------|----------------|
|   |      | 30 September     | 31 December      | 30 September   | 31 December    |
|   |      | 2023             | 2022             | 2023           | 2022           |
|   |      | RMB'000          | RMB'000          | RMB'000        | RMB'000        |
| <b>ASSETS</b>   |      |                  |                  |                |                |
| <b>NON-CURRENT ASSETS</b>   |      |                  |                  |                |                |
| Property, plant and equipment                                     |      | 1,498,688        | 1,624,213        | 9              | 9              |
| Right-of-use assets   |      | 3,575            | 3,575            | -              | -              |
| Land use rights   |      | 88,398           | 89,488           | -              | -              |
| Goodwill on consolidation   | 8    | 10,345           | 10,345           | -              | -              |
| Investment in subsidiary corporations                             |      | -                | -                | 250,041        | 250,041        |
| Financial asset, at fair value through other comprehensive income | 9    | 42,972           | 42,972           | -              | -              |
|   |      | <u>1,643,978</u> | <u>1,770,593</u> | <u>250,050</u> | <u>250,050</u> |
| <b>CURRENT ASSETS</b>   |      |                  |                  |                |                |
| Land use rights   |      | 1,085            | 1,088            | -              | -              |
| Inventories   | 10   | 349,808          | 242,335          | -              | -              |
| Trade and other receivables                                       | 11   | 27,259           | 19,987           | -              | -              |
| Amount owing by a subsidiary corporation                          | 11   | -                | -                | -              | 5,833          |
| Amounts owing by affiliated companies                             | 11   | 16,820           | 11,098           | -              | -              |
| Prepayments   | 12   | 980              | 8,772            | -              | 28             |
| Cash and cash equivalents   |      | 580,121          | 521,064          | 2,033          | 1,906          |
|   |      | <u>976,073</u>   | <u>804,344</u>   | <u>2,033</u>   | <u>7,767</u>   |
| <b>TOTAL ASSETS</b>   |      | <u>2,620,051</u> | <u>2,574,937</u> | <u>252,083</u> | <u>257,817</u> |
| <b>EQUITY</b>   |      |                  |                  |                |                |
| <b>Equity attributable to equity holders of the parents</b>       |      |                  |                  |                |                |
| <b>ASSETS</b>   |      |                  |                  |                |                |
| Share capital   | 13   | 316,125          | 316,125          | 316,125        | 316,125        |
| Retained profits/(accumulated losses)                             |      | 723,580          | 532,552          | (64,320)       | (60,390)       |
| Fair value reserve  |      | 8,765            | 8,765            | -              | -              |
| Capital reserve   |      | 250,000          | 250,000          | -              | -              |
| Other reserves  |      | 144,544          | 136,352          | -              | -              |
|   |      | <u>1,443,014</u> | <u>1,243,794</u> | <u>251,805</u> | <u>255,735</u> |
| Non-controlling interests   |      | 221,295          | 296,456          | -              | -              |
| <b>TOTAL EQUITY</b>   |      | <u>1,664,309</u> | <u>1,540,250</u> | <u>251,805</u> | <u>255,735</u> |
| <b>LIABILITIES</b>  |      |                  |                  |                |                |
| <b>NON-CURRENT LIABILITIES</b>                                    |      |                  |                  |                |                |
| Loans from non-controlling interest                               | 14   | 100,000          | 250,000          | -              | -              |
| Bank borrowings   | 14   | 330,000          | 360,000          | -              | -              |
| Lease liabilities   |      | 3,838            | 3,607            | -              | -              |
|   |      | <u>433,838</u>   | <u>613,607</u>   | <u>-</u>       | <u>-</u>       |
| <b>CURRENT LIABILITIES</b>  |      |                  |                  |                |                |
| Loans from non-controlling interest                               | 14   | 200,000          | 200,000          | -              | -              |
| Bank borrowings   | 14   | 60,000           | 60,000           | -              | -              |
| Lease liabilities   |      | 179              | 410              | -              | -              |
| Trade and other payables  | 15   | 160,983          | 138,137          | 278            | 2,082          |
| Amounts owing to affiliated companies                             | 15   | 34,598           | 13,538           | -              | -              |
| Current tax payable   |      | 66,144           | 8,995            | -              | -              |
|   |      | <u>521,904</u>   | <u>421,080</u>   | <u>278</u>     | <u>2,082</u>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                               |      | <u>2,620,051</u> | <u>2,574,937</u> | <u>252,083</u> | <u>257,817</u> |

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

|  | Share capital<br>RMB'000 | Retained profits<br>RMB'000 | Fair value reserve<br>RMB'000 | Capital reserve<br>RMB'000 | Other reserves                      |                                     |                      | Equity attributable to owners<br>RMB'000 | Non-controlling interests<br>RMB'000 | Total equity<br>RMB'000 |
|--|--------------------------|-----------------------------|-------------------------------|----------------------------|-------------------------------------|-------------------------------------|----------------------|--|--------------------------------------|-------------------------|
|  |                          |                             |                               |                            | Statutory common reserve<br>RMB'000 | Voluntary common reserve<br>RMB'000 | Sub-total<br>RMB'000 |  |                                      |                         |
| <b>1 January 2023 to 30 September 2023</b>                                 |                          |                             |                               |                            |                                     |                                     |                      |  |                                      |                         |
| <b>Balance as at 1 January 2023</b>  | 316,125                  | 532,552                     | 8,765                         | 250,000                    | 135,555                             | 797                                 | 136,352              | 1,243,794                                | 296,456                              | 1,540,250               |
| Total comprehensive income for the financial year                          | -                        | 199,220                     | -                             | -                          | -                                   | -                                   | -                    | 199,220                                  | 83,774                               | 282,994                 |
| Dividends paid   | -                        | -                           | -                             | -                          | -                                   | -                                   | -                    | -  | (158,935)                            | (158,935)               |
| Transfer to statutory common reserve                                       | -                        | (8,192)                     | -                             | -                          | 8,192                               | -                                   | 8,192                | -  | -                                    | -                       |
| <b>Balance as at 30 September 2023</b>                                     | <b>316,125</b>           | <b>723,580</b>              | <b>8,765</b>                  | <b>250,000</b>             | <b>143,747</b>                      | <b>797</b>                          | <b>144,544</b>       | <b>1,443,014</b>                         | <b>221,295</b>                       | <b>1,664,309</b>        |
| <b>1 January 2022 to 30 September 2022</b>                                 |                          |                             |                               |                            |                                     |                                     |                      |  |                                      |                         |
| <b>Balance as at 1 January 2022</b>  | 316,125                  | 525,368                     | 34,517                        | 250,000                    | 121,779                             | 797                                 | 122,576              | 1,248,586                                | 267,871                              | 1,516,457               |
| Net profit, representing total comprehensive income for the financial year | -                        | 39,057                      | -                             | -                          | -                                   | -                                   | -                    | 39,057                                   | 29,452                               | 68,509                  |
| Dividends paid   | -                        | (18,482)                    | -                             | -                          | -                                   | -                                   | -                    | (18,482)                                 | -                                    | (18,482)                |
| Transfer to statutory common reserve                                       | -                        | 22                          | -                             | -                          | (22)                                | -                                   | (22)                 | -  | -                                    | -                       |
| <b>Balance as at 30 September 2022</b>                                     | <b>316,125</b>           | <b>545,965</b>              | <b>34,517</b>                 | <b>250,000</b>             | <b>121,757</b>                      | <b>797</b>                          | <b>122,554</b>       | <b>1,269,161</b>                         | <b>297,323</b>                       | <b>1,566,484</b>        |

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

|  | <b>Share<br/>Capital<br/>RMB'000</b> | <b>Accumulated<br/>Losses<br/>RMB'000</b> | <b>Total<br/>Equity<br/>RMB'000</b> |
|--|--------------------------------------|---|-------------------------------------|
| <b>1 January 2023 to 30 September 2023</b> |                                      |   |                                     |
| Balance as at 1 January 2023               | 316,125                              | (60,390)                                  | 255,735                             |
| Total comprehensive income for the period  | -                                    | (3,930)                                   | (3,930)                             |
| Balance as at 30 September 2023            | <u>316,125</u>                       | <u>(64,320)</u>                           | <u>251,805</u>                      |

|  | <b>Share<br/>Capital<br/>RMB'000</b> | <b>Accumulated<br/>Losses<br/>RMB'000</b> | <b>Total<br/>Equity<br/>RMB'000</b> |
|--|--------------------------------------|---|-------------------------------------|
| <b>1 January 2022 to 30 September 2022</b> |                                      |   |                                     |
| Balance as at 1 January 2022               | 316,125                              | (58,934)                                  | 257,191                             |
| Total comprehensive income for the period  | -                                    | 19,548                                    | 19,548                              |
| Dividend paid                              | -                                    | (18,482)                                  | (18,482)                            |
| Balance as at 30 September 2022            | <u>316,125</u>                       | <u>(57,868)</u>                           | <u>258,257</u>                      |

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

|   | The Group                   |           |
|---|-----------------------------|-----------|
|   | 9 months ended 30 September |           |
|   | 2023                        | 2022      |
|   | RMB'000                     | RMB'000   |
| <b>Cash flows from operating activities</b>                 |                             |           |
| Profit for the period                                       | 361,576                     | 109,003   |
| Adjustments for:  |                             |           |
| - Depreciation of property, plant and equipment             | 137,845                     | 122,151   |
| - Amortisation of land use rights                           | 1,093                       | 851       |
| - Interest income   | (4,767)                     | (6,020)   |
| - Property, plant and equipment written off                 | 4,562                       | 88        |
| - Dividend income   | (38,862)                    | -         |
| - Interest expense  | 27,039                      | 36,635    |
| <b>Operating profit before working capital changes</b>      | 488,486                     | 262,708   |
| Change in working capital:                                  |                             |           |
| Change in inventories                                       | (107,473)                   | (641)     |
| Change in amount owing by/(to) affiliated companies         | 15,338                      | (137,722) |
| Change in operating receivables                             | 520                         | 14,189    |
| Change in operating payables                                | 22,846                      | 24,524    |
| Cash generated from operations                              | 419,717                     | 163,058   |
| Income tax paid   | (21,433)                    | (36,185)  |
| <b>Net cash generated by operating activities</b>           | 398,284                     | 126,873   |
| <b>Cash flows from investing activities</b>                 |                             |           |
| Additions to property, plant and equipment                  | (16,882)                    | (39,091)  |
| Proceeds from disposal of property, plant and equipment     | -                           | 1,189     |
| Additions to land use rights                                | -                           | (140)     |
| Dividend received   | 38,862                      | -         |
| Interest received   | 4,767                       | 6,020     |
| <b>Net cash generated in investing activities</b>           | 26,747                      | (32,022)  |
| <b>Cash flows from financing activities</b>                 |                             |           |
| Dividends paid  | (158,935)                   | (18,482)  |
| Repayment of loans from non-controlling interest            | (150,000)                   | (125,000) |
| Payment of principal portion of lease liabilities           | -                           | -         |
| Repayment of bank borrowings                                | (30,000)                    | (30,000)  |
| Interest paid   | (27,039)                    | (36,635)  |
| <b>Net cash used in financing activities</b>                | (365,974)                   | (210,117) |
| <b>Net (decrease)/increase in cash and cash equivalents</b> | 59,057                      | (115,266) |
| Cash and cash equivalents at beginning of period            | 521,064                     | 702,615   |
| Cash and cash equivalents at end of period                  | 580,121                     | 587,349   |

For the purpose of the consolidated statement of cash flows, the cash and cash equivalents comprise of the following:

|               |         |         |
|---------------|---------|---------|
| Cash on hand  | -       | 59      |
| Bank balances | 580,121 | 587,290 |
|               | 580,121 | 587,349 |

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. Corporate information

Sinostar PEC Holdings Limited (“the Company”) is incorporated and domiciled in Singapore as a limited liability company. The Company is listed on the Singapore Exchange Mainboard (“SGX-ST”).

The immediate and ultimate holding company of the Company is Intelligent People Holdings Limited (“Intelligent People”), a company which is incorporated in the British Virgin Islands (“BVI”).

The Company’s registered office is located at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712.

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiary corporations are:

- (a) Manufacture and sale of propylene, polypropylene and LPG products;
- (b) Provide logistics and transportation related services for petroleum products; and
- (c) Manufacture and sale of propylene, purified isobutylene, methyl tert-butyl ether (commonly known as MTBE), hydrogen and mixed gas.

These condensed interim consolidated financial statements as at and for the nine months ended 30 September 2023 comprise the Company and its subsidiaries (collectively, “the Group”).

### 2. Basis of Preparation

The condensed interim financial statements for the nine months ended 30 September 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Committee. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Chinese Renminbi dollar which is the functional currency of the Company and have been rounded to the nearest thousand (“RMB’000”).

#### 2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

### 2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as following:

□ Useful lives of property, plant and equipment

The costs of property, plant and equipment are depreciated using the straight-line to allocate the depreciable amount over the estimated useful live. The useful lives of these assets are estimated by the management using common life expectancies applied in the industry and country of operations. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, thus affecting the depreciation charges of property, plant and equipment.

□ Valuation of financial asset at fair value through other comprehensive income ("FVOCI")

The Group classified unquoted equity security as financial asset at FVOCI and recognises changes in its fair value in other comprehensive income. The fair value is determined based on estimates using present values. This is significantly affected by the assumptions used, including discount rate and estimate of future cash flows.

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Segment and revenue information

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

1. The gas separation segment is the manufacturing and sales of LPG, propylene, polypropylene, MTBE, hydrogen, isobutylene and other gas.
2. The transport and logistic services segment are the provision of logistics and transportation related services for petroleum products.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4. Segment and revenue information

4.1. Reportable segments

|   | The Group<br>9 months ended 30 September 2023 |  |                  |
|---|---|--|------------------|
|   | Gas<br>Separation<br>RMB'000                  | Transport<br>and Logistic<br>Services<br>RMB'000 | Total<br>RMB'000 |
| <b>Revenue</b>                              |   |  |                  |
| External customers                          | 3,523,136                                     | 249,458  | 3,772,594        |
| Inter-segment sales                         | 1,018,477                                     | 5,969  | 1,024,446        |
| Total revenue                               | <u>4,541,613</u>                              | <u>255,427</u>                                   | <u>4,797,040</u> |
| <b>Segment assets</b>                       | <u>1,977,618</u>                              | <u>27,669</u>                                    | <u>2,005,287</u> |
| <b>Segment liabilities</b>                  | <u>109,527</u>                                | <u>2,543</u>                                     | <u>112,070</u>   |
| <b>Results</b>                              |   |  |                  |
| Segment results                             | <u>378,823</u>                                | <u>30,265</u>                                    | <u>409,088</u>   |
| <b>Unallocated expenses</b>                 |   |  |                  |
| Unallocated corporate expenses              |   |  | <u>(25,240)</u>  |
| Profit from operations                      |   |  | 383,848          |
| Finance income                              |   |  | 4,767            |
| Finance cost                                |   |  | <u>(27,039)</u>  |
| Profit before tax                           |   |  | 361,576          |
| Tax expense                                 |   |  | <u>78,582</u>    |
| Profit after tax                            |   |  | <u>282,994</u>   |
| Segment assets for reportable segments      |   |  | 2,005,287        |
| Other assets                                |   |  |                  |
| Unallocated                                 |   |  |                  |
| Amount owing by affiliated companies        |   |  | 16,820           |
| Cash and cash equivalents                   |   |  | 580,121          |
| Other receivables                           |   |  | 7,478            |
| Goodwill on consolidation                   |   |  | <u>10,345</u>    |
|   |   |  | <u>2,620,051</u> |
| Segment liabilities for reportable segments |   |  | 112,070          |
| Other liabilities                           |   |  |                  |
| Unallocated                                 |   |  |                  |
| Other payables                              |   |  | 52,930           |
| Amount owing to affiliated companies        |   |  | 34,598           |
| Bank borrowings                             |   |  | 390,000          |
| Loan from non-controlling interest          |   |  | 300,000          |
| Current tax payable                         |   |  | <u>66,144</u>    |
|   |   |  | <u>955,742</u>   |



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4. Segment and revenue information (Cont'd)

4.1. Reportable segments (Cont'd)

|  | The Group                        |  |                  |
|--|----------------------------------|--|------------------|
|  | 9 months ended 30 September 2022 |  |                  |
|  | Gas<br>Separation<br>RMB'000     | Transport<br>and Logistic<br>Services<br>RMB'000 | Total<br>RMB'000 |
| <b>Revenue</b>                                     |                                  |  |                  |
| External customers                                 | 3,278,079                        | 198,733  | 3,476,812        |
| Inter-segment sales                                | 1,162,322                        | 2,775  | 1,165,097        |
| Total revenue                                      | <u>4,440,401</u>                 | <u>201,508</u>                                   | <u>4,641,909</u> |
| <b>Segment assets</b>                              | <u>2,110,361</u>                 | <u>25,724</u>                                    | <u>2,136,085</u> |
| <b>Segment liabilities</b>                         | <u>24,764</u>                    | <u>13,922</u>                                    | <u>38,686</u>    |
| <b>Results</b>                                     |                                  |  |                  |
| Segment results                                    | <u>137,097</u>                   | <u>15,942</u>                                    | <u>153,039</u>   |
| <b>Unallocated expenses</b>                        |                                  |  |                  |
| Unallocated corporate expenses                     |                                  |  | <u>(13,421)</u>  |
| Profit from operations                             |                                  |  | 139,618          |
| Finance income                                     |                                  |  | 6,020            |
| Finance cost                                       |                                  |  | <u>(36,635)</u>  |
| Profit before tax                                  |                                  |  | 109,003          |
| Tax expense  |                                  |  | <u>(40,494)</u>  |
| Profit after tax                                   |                                  |  | <u>68,509</u>    |
| <b>Segment assets for reportable segments</b>      |                                  |  | 2,136,085        |
| Other assets                                       |                                  |  |                  |
| Unallocated  |                                  |  |                  |
| Amount owing by affiliated companies               |                                  |  | 129              |
| Cash and cash equivalents                          |                                  |  | 587,349          |
| Other receivables                                  |                                  |  | 990              |
| Goodwill on consolidation                          |                                  |  | <u>10,345</u>    |
|  |                                  |  | <u>2,734,898</u> |
| <b>Segment liabilities for reportable segments</b> |                                  |  | 38,686           |
| Other liabilities                                  |                                  |  |                  |
| Unallocated  |                                  |  |                  |
| Other payables                                     |                                  |  | 160,079          |
| Amount owing to affiliated companies               |                                  |  | 1,822            |
| Bank borrowings                                    |                                  |  | 450,000          |
| Loan from non-controlling interest                 |                                  |  | 500,000          |
| Current tax payable                                |                                  |  | <u>17,827</u>    |
|  |                                  |  | <u>1,168,414</u> |

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

### 4. Segment and revenue information (Cont'd)

#### 4.2. Disaggregation of Revenue

The Group derives revenue from the transfer of goods and services at a point in time for the following types of services.

|                                   | <b>The Group</b>                        |                           |                  |
|-----------------------------------|---|---------------------------|------------------|
|                                   | <b>9 months ended 30 September 2023</b> |                           |                  |
|                                   | <b>Transport and</b>                    |                           |                  |
|                                   | <b>Gas Separation</b>                   | <b>Logistics Services</b> | <b>Total</b>     |
|                                   | <b>RMB'000</b>                          | <b>RMB'000</b>            | <b>RMB'000</b>   |
| <b>People's Republic of China</b> |   |                           |                  |
| Processed LPG                     | 520,655                                 | -                         | 520,655          |
| Propylene                         | 1,864                                   | -                         | 1,864            |
| Polypropylene                     | 107,096                                 | -                         | 107,096          |
| Premium grade polypropylene       | 1,183,794                               | -                         | 1,183,794        |
| MTBE                              | 1,442,666                               | -                         | 1,442,666        |
| Hydrogen                          | 131,785                                 | -                         | 131,785          |
| Isobutylene                       | 111,515                                 | -                         | 111,515          |
| Other Gas                         | 23,761                                  | -                         | 23,761           |
| Transport and logistic services   | -                                       | 249,458                   | 249,458          |
|                                   | <u>3,523,136</u>                        | <u>249,458</u>            | <u>3,772,594</u> |

|                                   | <b>The Group</b>                        |                           |                  |
|-----------------------------------|---|---------------------------|------------------|
|                                   | <b>9 months ended 30 September 2022</b> |                           |                  |
|                                   | <b>Transport and</b>                    |                           |                  |
|                                   | <b>Gas Separation</b>                   | <b>Logistics Services</b> | <b>Total</b>     |
|                                   | <b>RMB'000</b>                          | <b>RMB'000</b>            | <b>RMB'000</b>   |
| <b>People's Republic of China</b> |   |                           |                  |
| Processed LPG                     | 387,683                                 | -                         | 387,683          |
| Polypropylene                     | 154,957                                 | -                         | 154,957          |
| Premium grade polypropylene       | 902,282                                 | -                         | 902,282          |
| MTBE                              | 1,571,087                               | -                         | 1,571,087        |
| Propylene II                      | 493                                     | -                         | 493              |
| Hydrogen                          | 134,086                                 | -                         | 134,086          |
| Isobutylene                       | 105,596                                 | -                         | 105,596          |
| Other Gas                         | 21,895                                  | -                         | 21,895           |
| Transport and logistic services   | -                                       | 198,733                   | 198,733          |
|                                   | <u>3,278,079</u>                        | <u>198,733</u>            | <u>3,476,812</u> |

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

### 5. Profit before taxation

#### Significant items

|  | The Group                           |                      |
|--|-------------------------------------|----------------------|
|  | 9 months ended 30 September<br>2023 | 30 September<br>2022 |
|  | RMB'000                             | RMB'000              |
| Interest income  | 4,767                               | 6,020                |
| Gain on disposal of catalyzers and other scrap materials | 54,777                              | -                    |
| Dividend income  | 38,862                              | -                    |
|  | <u>38,862</u>                       | <u>-</u>             |
| <b>Expenses:</b>   |                                     |                      |
| Interest on borrowings                                   | 27,039                              | 36,635               |
| Depreciation of property, plant and equipment            | 137,845                             | 122,151              |
| Depreciation of rights-of-use assets                     | 1,093                               | 851                  |
| Property, plant and equipment written off                | 4,562                               | 88                   |
|  | <u>4,562</u>                        | <u>88</u>            |

### 6. Income tax expense

The Group calculates the financial period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

|   | The Group                           |                      |
|---|-------------------------------------|----------------------|
|   | 9 months ended 30 September<br>2023 | 30 September<br>2022 |
|   | RMB'000                             | RMB'000              |
| Current income tax expense                          |                                     |                      |
| - Profit for the financial period                   | 86,743                              | 39,959               |
| - (Over)/Under provision in prior financial periods | (8,161)                             | 535                  |
|   | <u>78,582</u>                       | <u>40,494</u>        |

### 7. Property, plant and equipment

During the nine months ended 30 September 2023, the Group acquired assets amounting to RMB16,882,000 (30 September 2022: RMB39,091,000) and written off assets with net carrying value amounting to RMB4,562,000 (30 September 2022: RMB1,189,000).

### 8. Goodwill arising on consolidation

|                                 | The Group            |                     |
|---------------------------------|----------------------|---------------------|
|                                 | 30 September<br>2023 | 31 December<br>2022 |
|                                 | RMB'000              | RMB'000             |
| <b>Cost and carrying amount</b> |                      |                     |
| Beginning and end of the year   | <u>10,345</u>        | <u>10,345</u>       |

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

### 8.1. Goodwill impairment

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

|   | The Group                       |                                |
|---|---------------------------------|--------------------------------|
|   | 30 September<br>2023<br>RMB'000 | 31 December<br>2022<br>RMB'000 |
| Dongming Changshun Transport Company Limited<br>(东明县昌顺运输有限公司) | 2,501                           | 2,501                          |
| Dongming Qianhai Petrochemical Co., Ltd<br>(东明前海化工有限公司)       | 7,844                           | 7,844                          |
|   | <u>10,345</u>                   | <u>10,345</u>                  |

The recoverable amount of a CGU was determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using terminal growth rate of 3% (2022: 3%). These cash flows were discounted using a pre-tax discount rate of 10% (2022: 10%) that reflected current market assessment of the time value of money and the risks specific to the CGUs. The growth rate is based on past performance and expectations on market development.

Management determines that the recoverable amount is higher than the carrying amount. Accordingly, no impairment for allowance is provided. The Group believes that any reasonable possible changes on the above key assumptions are not likely to cause the recoverable amount to be materiality lower than the related carrying amount.

Under the fair value hierarchy, level 3 inputs were used.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

### 9. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise the following:

|  | <b>The Group</b>                         |   |
|--|--|---|
|  | <b>30 September<br/>2023<br/>RMB'000</b> | <b>31 December<br/>2022<br/>RMB'000</b> |
| <b>Equity security (unquoted)</b>                            |  |   |
| - Dongming Qianhai Petrochemical Co., Ltd<br>(东明前海化工有限公司)    |  |   |
| Beginning of financial period                                | 42,972                                   | 79,761                                  |
| Fair value gains recognised in other comprehensive<br>income | -  | (36,789)                                |
| End of financial year  | <u>42,972</u>                            | <u>42,972</u>                           |

Represents 18% of equity interest in Dongming Qianhai Reli Co., Ltd. The Group has elected to measure this equity security at FVOCI due to the Group's intention not to hold these equity instruments for trading but for long-term appreciation.

#### 9.1. Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the assets measured at fair value at each reporting date:

|                            | <b>Level 3<br/>RMB'000</b> |
|----------------------------|----------------------------|
| <b>30 September 2023</b>   |                            |
| Financial assets, at FVOCI | <u>42,972</u>              |
| <b>31 December 2022</b>    |                            |
| Financial assets, at FVOCI | <u>42,972</u>              |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

10. Inventories

|                | The Group                          |                                   | The Company                        |                                   |
|----------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|                | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 |
| <b>At cost</b> |                                    |                                   |                                    |                                   |
| Raw materials* | 230,049                            | 143,366                           | -                                  | -                                 |
| Finished goods | 119,759                            | 98,969                            | -                                  | -                                 |
|                | <u>349,808</u>                     | <u>242,335</u>                    | <u>-</u>                           | <u>-</u>                          |

\*The increase is primarily due to Qianhai's replenishment of catalyzers.

11. Trade and other receivables

|                        | The Group                          |                                   | The Company                        |                                   |
|------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|                        | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 |
| Trade receivables      |                                    |                                   |                                    |                                   |
| - Non-related parties  | 19,782                             | 8,544                             | -                                  | -                                 |
| Trade receivables      |                                    |                                   |                                    |                                   |
| - Related parties      | -                                  | 77                                | -                                  | -                                 |
| Other receivables      |                                    |                                   |                                    |                                   |
| - Non-related parties  | 6,860                              | 9,716                             | -                                  | -                                 |
| Accrued Revenue        | -                                  | 1,079                             | -                                  | -                                 |
| VAT receivables        | -                                  | -                                 | -                                  | -                                 |
| Advances made to staff | 507                                | 471                               | -                                  | -                                 |
| Refundable deposits    | 110                                | 100                               | -                                  | -                                 |
|                        | <u>27,259</u>                      | <u>19,987</u>                     | <u>-</u>                           | <u>-</u>                          |

|   | The Group                          |                                   | The Company                        |                                   |
|---|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|   | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 |
| <b>Amount owing by a subsidiary corporation</b> |                                    |                                   |                                    |                                   |
| Loan to a subsidiary corporation                | -                                  | -                                 | -                                  | 5,833                             |

|   | The Group                          |                                   | The Company                        |                                   |
|---|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|   | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 |
| <b>Amount owing by affiliated companies</b> |                                    |                                   |                                    |                                   |
| Amount owing by affiliated companies        | 16,820                             | 11,098                            | -                                  | -                                 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

12. Prepayments

|                    | The Group                          |                                   | The Company                        |                                   |
|--------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|                    | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 |
| <b>Prepayments</b> |                                    |                                   |                                    |                                   |
| Raw Materials      | -                                  | 5,833                             | -                                  | -                                 |
| Others             | 980                                | 2,939                             | -                                  | 28                                |
|                    | <u>980</u>                         | <u>8,772</u>                      | <u>-</u>                           | <u>28</u>                         |

13. Share capital

|   | The Group                   |                   | The Company                 |                   |
|---|-----------------------------|-------------------|-----------------------------|-------------------|
|   | 30 September 2023           | 31 December 2022  | 30 September 2023           | 31 December 2022  |
|   | Number of<br>shares<br>'000 | Amount<br>RMB'000 | Number of<br>shares<br>'000 | Amount<br>RMB'000 |
| Issued and fully paid,<br>with no par value             |                             |                   |                             |                   |
| Balance at beginning<br>and at end of interim<br>period | <u>640,000</u>              | <u>316,125</u>    | <u>640,000</u>              | <u>316,125</u>    |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company. All shares rank equally with regard to the Company's residual assets.

14. Borrowings

|  | The Group                          |                                   | The Company                        |                                   |
|--|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|  | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 |
| <b>Amount repayable within one<br/>year or on demand</b> |                                    |                                   |                                    |                                   |
| - Secured  | 60,000 (a)                         | 60,000 (a)                        | -                                  | -                                 |
| - Unsecured  | 200,000 (b)                        | 200,000 (b)                       | -                                  | -                                 |
|  | <u>260,000</u>                     | <u>260,000</u>                    | <u>-</u>                           | <u>-</u>                          |
| <b>Amount repayable after one<br/>year</b>               |                                    |                                   |                                    |                                   |
| - Secured  | 330,000 (a)                        | 360,000 (a)                       | -                                  | -                                 |
| - Unsecured  | 100,000 (b)                        | 250,000 (b)                       | -                                  | -                                 |
|  | <u>430,000</u>                     | <u>610,000</u>                    | <u>-</u>                           | <u>-</u>                          |

(a) Bank borrowings of the subsidiary Dongming Hengchang is secured by a corporate guarantee from an affiliated company, Dongming Zhongyou Fuel and Petrochemical Co., Ltd (东明中油燃料石化有限公司);

(b) Unsecured loan from non-controlling interest("NCI"), Shandong Dongming Petrochem Group Co., Ltd (山东东明石化集团有限公司).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

15. Trade and other payables

|   | The Group                          |                                   | The Company                        |                                   |
|---|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|   | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 |
| Trade payables  |                                    |                                   |                                    |                                   |
| - Non-related parties                                       | 98,849                             | 74,663                            | -                                  | -                                 |
| Accruals – Directors' Fees                                  | -                                  | 830                               | 278                                | 830                               |
| Accruals – Salaries and<br>related costs                    | 6,237                              | 9,140                             | -                                  | 1,252                             |
| Amount owing to staff                                       | -                                  | 136                               | -                                  | -                                 |
| VAT payables  | 23,588                             | 27,281                            | -                                  | -                                 |
| Other governmental tax<br>payables                          | 5,064                              | 398                               | -                                  | -                                 |
| Amount owing to outsourced<br>transport companies           | 1,975                              | 1,610                             | -                                  | -                                 |
| Contract liabilities – advance<br>collection from customers | 20,522                             | 2,087                             | -                                  | -                                 |
| Amount owing to sundry<br>creditors                         | 4,748                              | 21,992                            | -                                  | -                                 |
|   | <u>160,983</u>                     | <u>138,137</u>                    | <u>278</u>                         | <u>2,082</u>                      |

|   | The Group                          |                                   | The Company                        |                                   |
|---|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|   | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 |
| Amount owing by affiliated<br>companies |                                    |                                   |                                    |                                   |
| - Trade                                 | 34,598                             | 13,538                            | -                                  | -                                 |

16. Dividends

|   | The Company                        |                                   |
|---|------------------------------------|-----------------------------------|
|   | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 |
| Ordinary dividends paid   |                                    |                                   |
| - No dividend paid<br>[2022: S\$0.006 (equivalent to RMB 0.0288) per share] | -                                  | 18,482                            |



## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

### 17. Net asset value

|                                    | The Group                          |                                   | The Company                        |                                   |
|------------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|                                    | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 |
| Net asset value per ordinary share | 2.25                               | 1.94                              | 0.39                               | 0.40                              |

### 18. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2023 and 31 December 2022.

|                       | Note | The Group                          |                                   | The Company                        |                                   |
|-----------------------|------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|                       |      | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 |
| Financial Assets      |      |                                    |                                   |                                    |                                   |
| - At FVOCI            | 9    | 42,972                             | 42,972                            | -                                  | -                                 |
| - At amortised cost   |      | 623,693                            | 551,678                           | 2,033                              | 7,739                             |
|                       |      | <u>666,665</u>                     | <u>594,650</u>                    | <u>2,033</u>                       | <u>7,739</u>                      |
| Financial Liabilities |      |                                    |                                   |                                    |                                   |
| - At amortised cost   |      | 795,283                            | 995,926                           | 278                                | 2,082                             |
|                       |      | <u>795,283</u>                     | <u>995,926</u>                    | <u>278</u>                         | <u>2,082</u>                      |

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

### 19. Affiliated companies' transactions

As an additional disclosure, the Group disclosed the following significant affiliated companies' transactions entered into between the Group and its affiliated companies at terms agreed between the companies:

|  | The Group                          |                                   |
|--|------------------------------------|-----------------------------------|
|  | 30<br>September<br>2023<br>RMB'000 | 31<br>December<br>2022<br>RMB'000 |
| <b>Sales to affiliated companies</b>                           |                                    |                                   |
| - 山东东明石化集团有限公司   | 4,248                              | 1,988                             |
| - 东明石油经销有限公司   | 2,104                              | 3,578                             |
| - 山东东明梨树化学有限公司   | -                                  | 191,446                           |
| - 东明中油燃料石化有限公司   | 350,835                            | 68,933                            |
| - 山东润泽化工有限公司   | -                                  | 212,975                           |
| - 东明万海氯碱化工有限公司   | 12,476                             | -                                 |
| - 东明润明油品销售有限公司   | 263                                | -                                 |
| - 东明前海热力有限公司   | 89,565                             | 60,456                            |
| - 江苏新海石化有限公司   | 47,111                             | -                                 |
| - 江苏润海油品销售有限公司   | 6,858                              | -                                 |
| - 山东劲海化工有限公司   | 15                                 | 1,441                             |
| - 东明洁源环保科技有限公司   | -                                  | 270                               |
| - 山东东明石化集团鲁班建筑有限公司   | 4,074                              | 2                                 |
| - 江苏新海新能源有限公司  | 511                                | -                                 |
| - 山东东明石化集团电力有限公司   | -                                  | 1,295                             |
| <b>Purchase from affiliated companies</b>                      |                                    |                                   |
| - 东明石油经销有限公司   | 2,021                              | 1,314                             |
| - 山东润泽化工有限公司   | -                                  | 71,137                            |
| - 东明中油燃料石化有限公司   | 2,357,451                          | 1,924,326                         |
| - 山东东明石化集团有限公司   | 38,116                             | 35,071                            |
| - 山东东明梨树化学有限公司   | 8,749                              | 98,822                            |
| - 山东炼化能源集团有限公司   | -                                  | 1,347                             |
| - 东明润明油品销售有限公司   | -                                  | 8,579                             |
| - 山东东明石化集团鲁班建筑有限公司   | 5,056                              | -                                 |
| - 东明前海热力有限公司   | 327,047                            | 316,313                           |
| - 江苏新海石化有限公司   | 3                                  | 52,608                            |
| - 江苏润海油品销售有限公司   | -                                  | 46,531                            |
| - 东明洁源环保科技有限公司   | 1,336                              | -                                 |
| - 东明万海氯碱化工有限公司   | 356                                | -                                 |
| <b>Interest expenses on loan charged by affiliated company</b> |                                    |                                   |
| - 山东东明石化集团有限公司   | 14,428                             | 21,365                            |
| <b>Other individually immaterial transactions</b>              | -                                  | 8,875                             |

Affiliated companies refer to companies in which a director of the Company has an indirect equity interest.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

### 20. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## OTHER INFORMATION

### 1. Review

The consolidated statement of financial position of Sinostar PEC Holdings Limited and its subsidiaries as at 30 September 2023 and the related consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of Performance of the Group

#### Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income

Highlights on changes in Condensed Interim Statements of Profit or Loss and Other Comprehensive Income items of the Group are as follow; -

#### Revenue

| <b>3Q2023</b>                            | <b>3 months ended</b>    |              | <b>3 months ended</b>    |              | <b>+ / (-)</b> |
|--|--------------------------|--------------|--------------------------|--------------|----------------|
| <b>Analysis of Revenue</b>               | <b>30 September 2023</b> | <b>%</b>     | <b>30 September 2022</b> | <b>%</b>     | <b>%</b>       |
|  | <b>RMB'000</b>           |              | <b>RMB'000</b>           |              |                |
| Processed LPG                            |                          |              |                          |              |                |
| - Total                                  | 395,269                  | 26.4         | 321,190                  | 24.8         | 23.1           |
| - Inter-company                          | (284,529)                | (19.0)       | (220,406)                | (17.0)       | 29.1           |
| Propylene                                |                          |              |                          |              |                |
| - Total                                  | 136,209                  | 9.1          | 147,257                  | 11.4         | (7.5)          |
| - Inter-company                          | (135,352)                | (9.0)        | (147,257)                | (11.3)       | (8.0)          |
| Polypropylene                            | 54,013                   | 3.6          | 10,139                   | 0.8          | 432.7          |
| Premium grade polypropylene              |                          |              |                          |              |                |
| - Total                                  | 422,230                  | 28.2         | 382,094                  | 29.5         | 10.5           |
| - Inter-company                          | (2,309)                  | (0.2)        | (5,146)                  | (0.4)        | (55.1)         |
| MTBE                                     | 694,351                  | 46.4         | 624,699                  | 48.2         | 11.1           |
| Hydrogen                                 |                          |              |                          |              |                |
| - Total                                  | 62,353                   | 4.2          | 52,290                   | 4.0          | 19.2           |
| - Inter-company                          | (251)                    | (0.1)        | -                        | -            | 100.0          |
| Isobutylene                              | 54,498                   | 3.6          | 34,895                   | 2.7          | 56.2           |
| Other Gas                                | 7,984                    | 0.5          | 12,256                   | 0.9          | (34.9)         |
| Logistics and transport related services |                          |              |                          |              |                |
| - Total                                  | 94,394                   | 6.3          | 83,936                   | 6.5          | 12.5           |
| - Inter-company                          | (1,380)                  | (0.1)        | -                        | -            | 100.0          |
| <b>Total</b>                             | <b><u>1,497,480</u></b>  | <b>100.0</b> | <b><u>1,295,947</u></b>  | <b>100.0</b> |                |

## OTHER INFORMATION (CONT'D)

### 2. Review of Performance of the Group (cont'd)

| 9M2023<br>Analysis of Revenue            | 9 months ended<br>30 September 2023 |              | 9 months ended<br>30 September 2022 |              | + / (-)<br>% |
|--|-------------------------------------|--------------|-------------------------------------|--------------|--------------|
|  | RMB'000                             | %            | RMB'000                             | %            |              |
| Processed LPG                            |                                     |              |                                     |              |              |
| - Total                                  | 1,197,076                           | 31.7         | 1,140,303                           | 32.8         | 5.0          |
| - Inter-company                          | (676,421)                           | (17.9)       | (752,618)                           | (21.6)       | (10.1)       |
| Propylene                                |                                     |              |                                     |              |              |
| - Total                                  | 340,411                             | 9.0          | 401,240                             | 11.5         | (19.8)       |
| - Inter-company                          | (338,547)                           | (9.0)        | (400,748)                           | (11.5)       | (19.6)       |
| Polypropylene                            | 107,096                             | 2.8          | 154,956                             | 4.5          | (30.9)       |
| Premium grade polypropylene              |                                     |              |                                     |              |              |
| - Total                                  | 1,186,103                           | 31.4         | 911,237                             | 26.2         | 30.2         |
| - Inter-company                          | (2,309)                             | (0.1)        | (8,955)                             | (0.3)        | (74.2)       |
| MTBE                                     | 1,442,666                           | 38.2         | 1,571,087                           | 45.2         | (8.2)        |
| Hydrogen                                 |                                     |              |                                     |              |              |
| - Total                                  | 132,985                             | 3.5          | 134,086                             | 3.9          | (0.8)        |
| - Inter-company                          | (1,200)                             | (0.0)        | -                                   | -            | 100.0        |
| Isobutylene                              | 111,515                             | 3.0          | 105,596                             | 3.0          | 5.6          |
| Other Gas                                | 23,761                              | 0.6          | 21,895                              | 0.6          | 8.5          |
| Logistics and transport related services |                                     |              |                                     |              |              |
| - Total                                  | 255,427                             | 6.8          | 198,733                             | 5.7          | 28.5         |
| - Inter-company                          | (5,969)                             | (0.2)        | -                                   | -            | 100.0        |
| <b>Total</b>                             | <b><u>3,772,594</u></b>             | <b>100.0</b> | <b><u>3,476,812</u></b>             | <b>100.0</b> |              |

## OTHER INFORMATION (CONT'D)

### 2. Review of Performance of the Group (cont'd)

#### **Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income (Cont'd)**

(a) **Processed LPG**

LPG has increased by 4.98% from RM1,140.30 million in 9M2022 to RMB1,197.08 million in 9M2023, including inter-company transactions. A total of 231,290 tonnes were produced and sold during 9M2023, indicating an increase of 17.70% as compared to 196,506 tonnes in 9M2022. Both the average selling prices ("ASP") and the average cost of production ("ACP") during the period have decreased by 10.81% and 9.18% respectively, compared to 9M2022.

(b) **Propylene**

Propylene is used to be further processed into premium grade polypropylene and only excess output will be sold to external market in 9M2023.

(c) **Polypropylene**

Polypropylene has decreased by 30.89% from RMB154.96 million in 9M2022 to RMB107.10 million in 9M2023, including inter-company transactions. The total output has also decreased by 17.71% from 20,850 tonnes in 9M2022 to 17,158 tonnes in 9M2023. Both ASP and ACP have decreased by 16.01% and 13.96% respectively, compared to 9M2022.

(d) **Premium grade polypropylene**

Premium grade polypropylene has increased by 30.16% from RMB911.24 million in 9M2022 to RMB1,186.10 million in 9M2023, including inter-company transactions. The total output has also increased by 41.91% from 123,792 tonnes in 9M2022 to 175,673 tonnes in 9M2023. Both ASP and ACP have decreased by 8.28% and 12.57% respectively, compared to 9M2022.

(e) **MTBE**

The sale of MTBE has decreased by 8.17% from RMB1,571.09 million in 9M2022 to RMB1,442.67 million in 9M2023. Production output decreased 7.85% from 241,715 tonnes in 9M2022 to 222,750 tonnes in 9M2023. Both ASP and ACP during 9M2023 decreased by 0.36% and 11.48% respectively, compared to 9M2022.

(f) **Hydrogen**

In 9M2023, hydrogen production output has decreased by 0.88% to 9,047 tonnes in 9M2023, compared to 9,127 tonnes in 9M2022. Revenue has also decreased 0.82%, from RMB134.09 million in 9M2022 to RMB132.99 million in 9M2023, including inter-company transactions. Both ASP and ACP in 9M2023 have increased by 0.06% and 12.21%, respectively, compared to 9M2022.

(g) **Isobutylene**

Isobutylene has increased 5.61% from RMB105.60 million in 9M2022 to RMB111.52 million in 9M2023 as total production output has also increased by 5.17% to 11,024 tonnes in 9M2023, compared with 10,482 tonnes in 9M2022. ASP has increased 0.42% and ACP has decreased by 9.77% for 9M2023, compared to 9M2022.

## OTHER INFORMATION (CONT'D)

### 2. Review of Performance of the Group (cont'd)

#### **Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income (Cont'd)**

##### **(h) Other Gases**

The sale of other gases has increased by 8.52%, rising from RMB21.90 million in 9M2022 to RMB23.76 million in 9M2023. Total output has also increased 33.77% from 3,034 tonnes in 9M2022 to 4,059 tonnes in 9M2023. ASP has decreased 18.87% and ACP has increased 4.90%, compared to 9M2022.

##### **(i) Logistics & transport related service**

Revenue from this business has increased by 28.53% from RMB198.73 million in 9M2022 to RMB255.43 million in 9M2023, including inter-company transactions.

#### **Gross profit**

The gross profit has increased from RMB154.19 million in 9M2022 to RMB312.20 million in 9M2023.

#### **Other income and expenses**

##### **(a) Other income**

In the nine months ended 30 September 2023, an interest income of RMB4.76 million was received. Furthermore, other sources of income comprised RMB54.78 million from the gain on disposal of catalyzers and other scrap materials, RMB38.86 million of dividends received from Dongming Qianhai Reli Co., Ltd, RMB0.82 million from a government subsidy, and other miscellaneous income of RMB2.43 million.

##### **(b) Administrative costs**

Administrative costs have decreased from RMB18.83 million in 9M2022 to RMB18.62 million in 9M2023.

##### **(c) Finance costs**

The finance costs have decreased from RMB36.64 million in 9M2022 to RMB27.04 million in 9M2023 as a total of RMB180.00 million of borrowings has been repaid.

##### **(d) Taxation**

Entities make quarterly tax provisions based on their respective profitability.

##### **(e) Net Profit**

The Group recorded a net profit of RMB282.99 million in 9M2023, compared to RMB68.51 million in 9M2022.

## OTHER INFORMATION (CONT'D)

### 2. Review of Performance of the Group (cont'd)

#### **Condensed Interim Consolidated. Statements of Financial Positions**

Highlights on changes in Condensed Interim Consolidated Statements of Financial Positions items of the Group are as follow; -

(a) **Property, plant and equipment**

The decrease is primarily attributed to the depreciation charge incurred during the financial period.

(b) **Inventories**

Inventories consist of approximately RMB230.05 million of raw materials and an equivalent value of RMB119.76 million in finished petrochemical products, both recorded at cost. The increase in raw materials is primarily due to Qianhai's replenishment of catalyzers.

(c) **Prepayment**

The prepayment is primarily attributed to payments made to suppliers for raw materials and equipment replacement.

(d) **Non-controlling interest**

The non-controlling interest represent a 30% controlling stake in the subsidiary Dongming Qianhai held by Dongming Petrochem Group.

(e) **Bank Borrowings**

This primarily includes a bank loan intended to finance the new polypropylene construction of Dongming Hengchang. The loan is backed by a guarantee from the related party Dongming Zhongyou Fuel Petrochemical Co., Ltd. The interest is calculated at a floating rate of 4.41% per annum, with repayments occurring every six months. The loan is set to be fully repaid by January 2027.

A total of RMB30.0 million has been repaid in 9M2023.

(f) **Loan from non-controlling interests**

This is from non-controlling interest Dongming Petrochem Group (represent 30% minority stake in subsidiary Dongming Qianhai) to finance the working capital use since the acquisition of Dongming Qianhai. Term of loan is unsecured, with an annual interest at 4.75% per annum, repayable in instalments on a quarterly basis till full settlement by 1 April 2025.

A total of RMB150.0 million has been repaid in 9M2023.



## OTHER INFORMATION (CONT'D)

### **Condensed Interim Consolidated Statement of Cash Flow**

The Group generated a net cash inflow of RMB398.28 million from its operating activities and RMB26.75 million from its investing activities, while its financing activities resulted in a net cash outflow of RMB365.97 million during the nine months ended 30 September 2023.

As of 30 September 2023, the group had a cash balance of RMB580.12 million.

- 3.(i) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital since the end of the previous period reported on. There were no outstanding convertibles issued or treasury shares held by the Company as at 30 September 2023.

- 3.(ii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

|   | <b>30 September<br/>2023</b> | <b>31 December<br/>2022</b> |
|---|------------------------------|-----------------------------|
| Number of issued shares (excluding treasury shares) | 640,000,000                  | 640,000,000                 |
| Number of treasury shares                           | NIL                          | NIL                         |

- 3.(iii) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

## OTHER INFORMATION (CONT'D)

4. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

|  | 3 months ended 30 September |                    |
|--|-----------------------------|--------------------|
|  | 2023                        | 2022               |
| <b>Profit / (Loss) per share for the period based on net profit attributable to owners of the parent company</b> |                             |                    |
| (a) Based on basic number of ordinary shares on issue (RMB cents)  | 29.78                       | 3.88               |
| No. of shares in issue (weighted average)  | <u>640,000,000</u>          | <u>640,000,000</u> |
| (b) On a fully diluted basis (RMB cents)   | 29.78                       | 3.88               |
| No. of shares in issue (weighted average)  | <u>640,000,000</u>          | <u>640,000,000</u> |
| <b>9 months ended 30 September</b>   |                             |                    |
| <b>2023</b>  |                             |                    |
| <b>2022</b>  |                             |                    |
| <b>Profit per share for the period based on net profit attributable to owners of the parent company</b>          |                             |                    |
| (a) Based on basic number of ordinary shares on issue (RMB cents)  | 31.13                       | 6.10               |
| No. of shares in issue (weighted average)  | <u>640,000,000</u>          | <u>640,000,000</u> |
| (b) On a fully diluted basis (RMB cents)   | 31.13                       | 6.10               |
| No. of shares in issue (weighted average)  | <u>640,000,000</u>          | <u>640,000,000</u> |

## OTHER INFORMATION (CONT'D)

5. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

None.

6. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group's business is driven by global economic recovery, demand growth, and rising crude oil prices. Barring unforeseen circumstances, the Group expects supply-demand dynamics to continue to improve.

The management team will closely monitor crude oil price fluctuations and potential risks such as lower-than-expected downstream demand, while prudently managing working capital.

The board of directors remains optimistic about the Group's long-term development.

## 7. **Dividend information**

- (a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None

- (b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

- (c) Date payable

NA

- (d) Book Closure Date

NA

## OTHER INFORMATION (CONT'D)

### 8. Interested person transactions

Note Rule 920(1)(a)(ii) – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate (if any) for interested person transactions for the financial period which it is required to report on pursuant to rule 705.

| Name of Interested Person  | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)   |
|--|---|--|
| <p>For period from <b>January to September 2023:-</b></p> <p>Transactions between<br/>Dongming Hengchang Petrochemical Co., Ltd (东明恒昌化工有限公司)<br/>and its subsidiary<br/>Dongming Qianhai Petrochemical Co., Ltd (东明前海化工有限公司)<br/><i>(transactions are subject to consolidation group eliminations)</i></p> <ul style="list-style-type: none"> <li>- Logistics &amp; Transport Related Services</li> <li>- Purchase of Utilities</li> <li>- Processed LPG</li> <li>- Propylene</li> <li>- Recycled Propylene</li> <li>- Hydrogen</li> </ul> |   | <p style="text-align: right;">2,596,164</p> <p style="text-align: right;">11,238,281</p> <p style="text-align: right;">676,420,818</p> <p style="text-align: right;">338,546,938</p> <p style="text-align: right;">2,309,443</p> <p style="text-align: right;">1,200,340</p> |
| <p>Dongming Qianhai Reli Co., Ltd (东明前海热力有限公司)</p> <ul style="list-style-type: none"> <li>- Logistics &amp; Transport Related Services</li> <li>- Purchase of Utilities</li> <li>- Contra of Utilities on Productions</li> </ul>   |   | <p style="text-align: right;">12,688,777</p> <p style="text-align: right;">327,046,559</p> <p style="text-align: right;">76,876,493</p>  |

## OTHER INFORMATION (CONT'D)

### 8. Interested person transactions (cont'd)

Note Rule 920(1)(a)(ii) – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate (if any) for interested person transactions for the financial period which it is required to report on pursuant to rule 705. (Cont'd)

| Name of Interested Person   | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) |
|---|---|--|
| Dongming Zhongyou Fuel & Petrochemical Co., Ltd<br>(东明中油燃料石化有限公司)<br>- Logistics & Transport Related Services<br>- Purchase of Utilities<br>- Contra of Utilities on Productions*<br>- Purchase of LPG<br>- Sale of Processed LPG<br>- Purchase of Propylene<br>- Sale of recycled Propylene<br>- Sale of Hydrogen*<br>- Purchase parts and components<br>- Maintenance of parts and machineries<br>- Sale of Waste Materials | 986,168<br><br><br><br><br><br><br><br><br>131,785,061<br><br>1,584,164<br>11,392,294   | 89,576,126<br>34,827,748<br><br><br>2,016,225,132<br>116,535,042<br>302,273,534<br>560,792<br><br>2,540,841  |
| Shandong Dongming Petrochem Group Co., Ltd<br>(山东东明石化集团有限公司)<br>- Logistics & Transport Related Services<br>- Purchase of Utilities   |   | 4,248,043<br>38,115,893  |
| Dongming Crude Oil Distribution Co., Ltd<br>(东明石油经销有限公司)<br>- Logistics & Transport Related Services<br>- Sale of Polypropylene<br>- Purchase parts and components<br>- Consignment Fee   | 52,389  | 2,052,080<br><br>883,089<br>1,138,003  |

**OTHER INFORMATION (CONT'D)**

**8. Interested person transactions (cont'd)**

Note Rule 920(1)(a)(ii) – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate (if any) for interested person transactions for the financial period which it is required to report on pursuant to rule 705. (Cont'd)

| Name of Interested Person   | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) |
|---|---|--|
| Shandong Dongming Lishu Petroleum Co<br>(山东东明梨树化学有限公司)<br>- Purchase of Utilities<br>- Purchase of LPG  |   | 10,742<br>8,738,338  |
| Dongming Runming Oil Products Distribution Co., Ltd<br>(东明润明油品销售有限公司)<br>- Logistics & Transport Related Services                               |   | 262,577  |
| Dongming WanHaiLuiJiang Petrochemical Co., Ltd<br>(东明万海氯碱化工有限公司)<br>- Logistics & Transport Related Services<br>- Purchase parts and components |   | 12,476,414<br>356,430  |
| Jiangsu Xinghai Petrochem Co., Ltd<br>(江苏新海石化有限公司)<br>- Logistics & Transport Related Services<br>- Purchase of Utilities                       |   | 47,110,577<br>3,451  |
| Jiangsu Runhai Oil Products Distribution Co., Ltd<br>(江苏润海油品销售有限公司)<br>- Logistics & Transport Related Services                                 |   | 6,857,588  |

## OTHER INFORMATION (CONT'D)

### 8. Interested person transactions (cont'd)

Note Rule 920(1)(a)(ii) – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate (if any) for interested person transactions for the financial period which it is required to report on pursuant to rule 705. (Cont'd)

| Name of Interested Person   | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) |
|---|---|--|
| Shandong Jin-hai Petrochemical Pte Ltd<br>(山东劲海化工有限公司)<br>- Logistics & Transport Related Services  |   | 15,256   |
| Dongming Jie-Yuan Environmental Technology Pte Ltd<br>(东明洁源环保科技有限公司)<br>- Sewage Charge   | 1,335,948   |  |
| Shandong Dongming Petrochem Group Lu Ban Construction Pte Ltd<br>(山东东明石化集团鲁班建筑有限公司)<br>- Logistics & Transport Related Services<br>- Maintenance of parts and machineries | 5,056,184   | 4,074,043  |
| Jiangsu Xinghai New Energy Co., Ltd<br>(江苏新海新能源有限公司)<br>- Logistics & Transport Related Services  |   | 510,572  |

\* These transactions involve mandated IPT regarding sales of Hydrogen to Shandong Runze Chemical Co., Ltd. prior to Merger by absorption with Dongming Zhongyou. Under the terms of the merger, Dongming Zhongyou Fuel Petrochemical assumed all of Shandong Runze Chemical Co., Ltd.'s rights and obligations. As a result, all transactions between Shandong Runze Petrochemical Co., Ltd. and the group will now be handled by Dongming Zhongyou Fuel Petrochemical, with no changes to the guidelines and review procedures. Shandong Runze was struck off after the merger.

In the Q1 and Q2 2023 disclosures, these transactions were categorized as mandate transactions. However, following consultation with SGX, these transactions are now re-classified as non-mandate transactions in this Q3 announcement.)

## OTHER INFORMATION (CONT'D)

9. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

| Name         | Age | Family relationship with any director and/or substantial shareholder   | Current position and duties, and the year the position was held                      | Details of changes in duties and position held, if any, during the year |
|--------------|-----|--|--|---|
| Li Xiangping | 62  | Father of Li Zhi, non-executive Director of the Company.               | CEO and Executive Chairman since April 2021. Substantial shareholder of the Company. | From non-executive Chairman to Executive Chairman from April 2021.      |
| Li Zhi       | 37  | Son of Mr Li Xiangping, the CEO and Executive Chairman of the Company. | Non-Executive Director of the Company Since 2019                                     | Appointed in year 2019.   |

10. **Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) that the Issuer has procured undertaking from all its directors and executive**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

### BY ORDER OF THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the nine-month period ended 30 September 2023 to be false or misleading in any material aspect.

Li Xiangping  
Executive Chairman and CEO

Jiang Xinglu  
AC Chairman, Independent Director

Singapore  
10 November 2023