

**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 ("Q4") and 12 months ("FY") ended 31 December 2023**

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

	The Group			Note	The Group		
	3 months ended		+/-		12 months ended		+/-
	31 December				31 December		
	2023	2022	%		2023	2022	%
	RMB'000	RMB'000			RMB'000	RMB'000	
Revenue	1,560,497	1,371,391	13.8	4.2	5,333,091	4,848,203	10.0
Cost of Sales	(1,472,637)	(1,328,608)	10.8		(4,933,028)	(4,651,227)	6.1
Gross profit	87,860	42,783	105.4		400,063	196,976	103.1
Other income	751	2,240	(66.5)		102,403	12,815	699.1
Administrative costs	(18,686)	(15,102)	23.7		(37,310)	(33,928)	10.0
Distribution costs	(4,665)	(220)	2020.5		(6,233)	(253)	236.6
Other operating expense	(82)	(1)	8100.0		(5,130)	(273)	1779.1
Finance costs	(7,682)	(11,044)	(30.4)		(34,721)	(47,678)	(27.2)
Profit before taxation	57,496	18,656	208.2	5	419,072	127,659	228.3
Income tax expense	(27,320)	(8,101)	237.2	6	(105,902)	(48,595)	117.9
Net profit for the year	30,176	10,555	185.9		313,170	79,064	296.1
Other comprehensive income							
Items that will not be reclassified subsequently to profit or loss							
Financial assets, at fair value through other comprehensive income							
- Fair value gain/(loss) equity investment	5,981	(36,789)			5,981	(36,789)	
Total comprehensive income for the year	36,157	(26,234)	237.8		319,151	42,275	654.94
<b>Net profit attributable to:</b>							
Equity holders of the Company	10,615	385			217,610	39,442	
Non-controlling interests	19,561	10,170			95,560	39,622	
	30,176	10,555			313,170	79,064	
<b>Total comprehensive income attributable to:</b>							
Equity holders of the Company	22,577	(25,367)			221,797	13,690	
Non-controlling interests	13,580	(867)			97,354	28,585	
	36,157	(26,234)			319,151	42,275	
<b>Earnings per share attributable to equity holders of the Company (RMB cents per share)</b>							
Basic	1.66	0.06			34.00	6.16	
Diluted	1.66	0.06			34.00	6.16	

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	The Group		The Company	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment		1,459,008	1,624,213	6	9
Right-of-use assets		3,150	3,575	-	-
Land use rights		88,866	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	48,953	42,972	-	-
		<u>1,610,322</u>	<u>1,770,593</u>	<u>250,047</u>	<u>250,050</u>
<b>CURRENT ASSETS</b>					
Land use rights		470	1,088	-	-
Inventories	10	334,916	242,335	-	-
Trade and other receivables	11	15,024	19,987	-	-
Amount owing by a subsidiary corporation	11	-	-	-	5,833
Amounts owing by affiliated companies	11	329	11,098	-	-
Prepayments	12	1,360	8,772	-	28
Cash and cash equivalents		562,886	521,064	514	1,906
		<u>914,985</u>	<u>804,344</u>	<u>514</u>	<u>7,767</u>
<b>TOTAL ASSETS</b>		<u>2,525,307</u>	<u>2,574,937</u>	<u>250,561</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)		705,892	532,552	(67,119)	(60,390)
Fair value reserve		12,952	8,765	-	-
Capital reserve		250,000	250,000	-	-
Other reserves		180,622	136,352	-	-
		<u>1,465,591</u>	<u>1,243,794</u>	<u>249,006</u>	<u>255,735</u>
Non-controlling interests		234,875	296,456	-	-
<b>TOTAL EQUITY</b>		<u>1,700,466</u>	<u>1,540,250</u>	<u>249,006</u>	<u>255,735</u>
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Loans from non-controlling interest	14	50,000	250,000	-	-
Bank borrowings	14	300,000	360,000	-	-
Lease liabilities		3,428	3,607	-	-
		<u>353,428</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	141,272	138,137	1,555	2,082
Amounts owing to affiliated companies	15	63	13,538	-	-
Current tax payable		69,899	8,995	-	-
		<u>471,413</u>	<u>421,080</u>	<u>1,555</u>	<u>2,082</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,525,307</u>	<u>2,574,937</u>	<u>250,561</u>	<u>257,817</u>

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

	Share capital RMB'000	Retained profits RMB'000	Fair value reserve RMB'000	Capital reserve RMB'000	Other reserves			Equity attributable to owners RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
					Statutory common reserve RMB'000	Voluntary common reserve RMB'000	Sub-total RMB'000			
<b>1 January 2023 to 31 December 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	-	217,610	4,187	-	-	-	-	221,797	97,354	319,151
Dividends paid	-	-	-	-	-	-	-	-	(158,935)	(158,935)
Transfer to statutory common reserve	-	(44,270)	-	-	44,270	-	44,270	-	-	-
<b>Balance as at 31 December 2023</b>	<b>316,125</b>	<b>705,892</b>	<b>12,952</b>	<b>250,000</b>	<b>179,825</b>	<b>797</b>	<b>180,622</b>	<b>1,465,591</b>	<b>234,875</b>	<b>1,700,466</b>
<b>1 January 2022 to 31 December 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	-	39,442	(25,752)	-	-	-	-	13,690	28,585	42,275
Dividends paid	-	(18,482)	-	-	-	-	-	(18,482)	-	(18,482)
Transfer to statutory common reserve	-	(13,776)	-	-	13,776	-	13,776	-	-	-
<b>Balance as at 31 December 2022</b>	<b>316,125</b>	<b>532,552</b>	<b>8,765</b>	<b>250,000</b>	<b>135,555</b>	<b>797</b>	<b>136,352</b>	<b>1,243,794</b>	<b>296,456</b>	<b>1,540,250</b>

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

	<b>Share Capital RMB'000</b>	<b>Accumulated Losses RMB'000</b>	<b>Total Equity RMB'000</b>
<b>1 January 2023 to 31 December 2023</b>			
Balance as at 1 January 2023	316,125	(60,390)	255,735
Total comprehensive income for the period	-	(6,729)	(6,729)
Balance as at 31 December 2023	<u>316,125</u>	<u>(67,119)</u>	<u>249,006</u>

	<b>Share Capital RMB'000</b>	<b>Accumulated Losses RMB'000</b>	<b>Total Equity RMB'000</b>
<b>1 January 2022 to 31 December 2022</b>			
Balance as at 1 January 2022	316,125	(58,934)	257,191
Total comprehensive income for the period	-	17,026	17,026
Dividend paid	-	(18,482)	(18,482)
Balance as at 31 December 2022	<u>316,125</u>	<u>(60,390)</u>	<u>255,735</u>

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group	
	12 months ended 31 December	
	2023	2022
	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Profit for the period	419,072	127,659
Adjustments for:		
- Depreciation of property, plant and equipment	173,844	163,917
- Depreciation of right-of-use assets	425	427
- Amortisation of land use rights	1,240	1,203
- Gain on disposal of property, plant and equipment	(100)	(2,737)
- Interest income	(6,417)	(7,594)
- Property, plant and equipment written off	1,125	598
- Dividend income	(38,862)	-
- Interest expense	34,721	47,678
<b>Operating profit before working capital changes</b>	<u>585,048</u>	<u>331,151</u>
Change in working capital:		
Change in inventories	(92,581)	16,476
Change in amount owing by/(to) affiliated companies	(2,706)	(136,975)
Change in operating receivables	4,963	34,348
Change in prepayment	7,412	(5,789)
Change in operating payables	107,265	(31,696)
Cash generated from operations	609,401	207,515
Income tax paid	(44,998)	(53,118)
<b>Net cash generated by operating activities</b>	<u>564,403</u>	<u>154,397</u>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(114,049)	(46,039)
Proceeds from disposal of property, plant and equipment	255	4,192
Additions to land use rights	-	(144)
Dividends received	38,862	-
Interest received	6,417	7,594
<b>Net cash used in investing activities</b>	<u>(68,515)</u>	<u>(34,397)</u>
<b>Cash flows from financing activities</b>		
Dividends paid	(158,935)	(18,482)
Repayment of loans from non-controlling interest	(200,000)	(175,000)
Payment of principal portion of lease liabilities	(410)	(391)
Repayment of bank borrowings	(60,000)	(60,000)
Interest paid	(34,721)	(47,678)
<b>Net cash used in financing activities</b>	<u>(454,066)</u>	<u>(301,551)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	41,822	(181,551)
Cash and cash equivalents at beginning of period	521,064	702,615
Cash and cash equivalents at end of period	<u>562,886</u>	<u>521,064</u>

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

Cash on hand	-	44
Bank balances	562,886	521,020
	<u>562,886</u>	<u>521,064</u>

## 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 twelve months ended 31 December 2023 comprise the Company and its subsidiaries (collectively, “the Group”).

### 2. Basis of Preparation

The condensed interim financial statements for the twelve months ended 31 December 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 2023.

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 2023.

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 3 months ended 31 December 2023		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
<b>Revenue</b>			
External customers	1,449,397	111,100	1,560,497
Inter-segment sales	461,134	6,290	467,424
Total revenue	<u>1,910,531</u>	<u>117,390</u>	<u>2,027,921</u>
<b>Segment assets</b>	<u>1,932,820</u>	<u>15,212</u>	<u>1,948,032</u>
<b>Segment liabilities</b>	<u>76,238</u>	<u>12,022</u>	<u>88,260</u>
<b>Results</b>			
Segment results	<u>75,731</u>	<u>11,230</u>	<u>86,961</u>
<b>Unallocated expenses</b>			
Unallocated corporate expenses			<u>(23,433)</u>
Profit from operations			63,528
Finance income			1,650
Finance cost			<u>(7,682)</u>
Profit before tax			57,496
Tax expense			<u>(27,320)</u>
Profit after tax			<u>30,176</u>
<b>Segment assets for reportable segments</b>			
Other assets unallocated			1,948,032
Amount owing by affiliated companies			329
Cash and cash equivalents			562,886
Other receivables			3,715
Goodwill on consolidation			<u>10,345</u>
			<u>2,525,307</u>
<b>Segment liabilities for reportable segments</b>			
Other liabilities unallocated			88,260
Other payables			56,619
Amount owing to affiliated companies			63
Bank borrowings			360,000
Loan from non-controlling interest			250,000
Current tax payable			<u>69,899</u>
			<u>824,841</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 3 months ended 31 December 2022		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
<b>Revenue</b>			
External customers	1,306,213	65,178	1,371,391
Inter-segment sales	500,260	990	501,250
Total revenue	<u>1,806,473</u>	<u>66,168</u>	<u>1,872,641</u>
<b>Segment assets</b>	<u>2,019,968</u>	<u>11,896</u>	<u>2,031,864</u>
<b>Segment liabilities</b>	<u>63,460</u>	<u>15,219</u>	<u>78,679</u>
<b>Results</b>			
Segment results	<u>32,582</u>	<u>3,103</u>	<u>35,685</u>
<b>Unallocated expenses</b>			
Unallocated corporate expenses			<u>(7,559)</u>
Profit from operations			28,126
Finance income			1,574
Finance cost			<u>(11,044)</u>
Profit before tax			18,656
Tax expense			<u>(8,101)</u>
Profit after tax			<u>10,555</u>
<b>Segment assets for reportable segments</b>			
Other assets unallocated			2,031,864
Amount owing by affiliated companies			11,093
Cash and cash equivalents			521,064
Other receivables			471
Goodwill on consolidation			10,345
Refundable deposit			100
			<u>2,574,937</u>
<b>Segment liabilities for reportable segments</b>			
Other liabilities unallocated			78,679
Other payables			63,475
Amount owing to affiliated companies			13,538
Bank borrowings			420,000
Loan from non-controlling interest			450,000
Current tax payable			8,995
			<u>1,034,687</u>

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

4. Segment and revenue information

4.1. Reportable segments

	The Group		
	12 months ended 31 December 2023		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
<b>Revenue</b>			
External customers	4,972,532	360,559	5,333,091
Inter-segment sales	1,479,612	12,258	1,491,870
Total revenue	<u>6,452,144</u>	<u>372,817</u>	<u>6,824,961</u>
<b>Segment assets</b>	<u>1,932,820</u>	<u>15,212</u>	<u>1,948,032</u>
<b>Segment liabilities</b>	<u>76,238</u>	<u>12,022</u>	<u>88,260</u>
<b>Results</b>			
Segment results	<u>454,554</u>	<u>41,495</u>	<u>496,049</u>
<b>Unallocated expenses</b>			
Unallocated corporate expenses			<u>(48,673)</u>
Profit from operations			447,376
Finance income			6,417
Finance cost			<u>(34,721)</u>
Profit before tax			419,072
Tax expense			<u>(105,902)</u>
Profit after tax			<u>313,170</u>
<b>Segment assets for reportable segments</b>			
Other assets Unallocated			1,948,032
Amount owing by affiliated companies			329
Cash and cash equivalents			562,886
Other receivables			3,715
Goodwill on consolidation			<u>10,345</u>
			<u>2,525,307</u>
<b>Segment liabilities for reportable segments</b>			
Other liabilities unallocated			88,260
Other payables			56,619
Amount owing to affiliated companies			63
Bank borrowings			360,000
Loan from non-controlling interest			250,000
Current tax payable			<u>69,899</u>
			<u>824,841</u>

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

4. Segment and revenue information

4.1. Reportable segments

	The Group		
	12 months ended 31 December 2022		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
<b>Revenue</b>			
External customers	4,584,292	263,911	4,848,203
Inter-segment sales	1,662,582	3,765	1,666,347
Total revenue	<u>6,246,874</u>	<u>267,676</u>	<u>6,514,550</u>
<b>Segment assets</b>	<u>2,019,963</u>	<u>11,896</u>	<u>2,031,859</u>
<b>Segment liabilities</b>	<u>63,461</u>	<u>15,219</u>	<u>78,680</u>
<b>Results</b>			
Segment results	<u>169,679</u>	<u>19,045</u>	<u>188,724</u>
<b>Unallocated expenses</b>			
Unallocated corporate expenses			<u>(20,891)</u>
Profit from operations			167,743
Finance income			7,594
Finance cost			<u>(47,678)</u>
Profit before tax			127,659
Tax expense			<u>(48,595)</u>
Profit after tax			<u>79,064</u>
Segment assets for reportable segments			
Other assets Unallocated			2,031,859
Amount owing by affiliated companies			11,098
Cash and cash equivalents			521,064
Other receivables			471
Goodwill on consolidation			10,345
Refundable deposit			<u>100</u>
			<u>2,574,937</u>
Segment liabilities for reportable segments			
Other liabilities unallocated			78,680
Other payables			63,474
Amount owing to affiliated companies			13,538
Bank borrowings			420,000
Loan from non-controlling interest			450,000
Current tax payable			<u>8,995</u>
			<u>1,034,687</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>3 months ended 31 December 2023</b>		
	<b>Gas Separation</b>	<b>Transport and 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	148,374	-	148,374
Polypropylene	58,181	-	58,181
Premium grade polypropylene	386,855	-	386,855
MTBE	606,798	-	606,798
Hydrogen	61,199	-	61,199
Isobutylene	53,024	-	53,024
Other Gas	7,917	-	7,917
Utilities	127,049	-	127,049
Transport and logistic services	-	111,100	111,100
	<u>1,449,397</u>	<u>111,100</u>	<u>1,560,497</u>

	<b>The Group</b>		
	<b>3 months ended 31 December 2022</b>		
	<b>Gas Separation</b>	<b>Transport and 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	138,028	-	138,028
Polypropylene	39	-	39
Premium grade polypropylene	470,123	-	470,123
MTBE	603,018	-	603,018
Hydrogen	50,472	-	50,472
Isobutylene	37,939	-	37,939
Other Gas	6,594	-	6,594
Transport and logistic services	-	65,178	65,178
	<u>1,306,213</u>	<u>65,178</u>	<u>1,371,391</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>12 months ended 31 December 2023</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	669,029	-	669,029
Polypropylene	165,277	-	165,277
Premium grade polypropylene	1,572,512	-	1,572,512
MTBE	2,049,464	-	2,049,464
Hydrogen	192,984	-	192,984
Isobutylene	164,539	-	164,539
Other Gas	31,678	-	31,678
Utilities	127,049	-	127,049
Transport and logistic services	-	360,559	360,559
	<u>4,972,532</u>	<u>360,559</u>	<u>5,333,091</u>

	<b>The Group</b>		
	<b>12 months ended 31 December 2022</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	525,711	-	525,711
Propylene	493	-	493
Polypropylene	154,996	-	154,996
Premium grade polypropylene	1,372,405	-	1,372,405
MTBE	2,174,105	-	2,174,105
Hydrogen	184,558	-	184,558
Isobutylene	143,535	-	143,535
Other Gas	28,489	-	28,489
Transport and logistic services	-	263,911	163,911
	<u>4,584,292</u>	<u>263,911</u>	<u>4,848,203</u>

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

### 5. Profit before taxation

#### Significant items

	<b>The Group</b>	
	<b>3 months ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Interest income	1,650	1,574
<b>Expenses:</b>		
Interest on borrowings	7,492	11,044
Lease interest	190	208
Depreciation of property, plant and equipment	35,999	41,766
Depreciation of rights-of-use assets	(668)	427
Amortisation of intangible assets	1,240	352
(Gain)/Loss on disposal of property, plant and equipment	(100)	510
Property, plant and equipment written off	(3,437)	-

	<b>The Group</b>	
	<b>12 months ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Interest income	6,417	7,594
Gain on disposal of catalyzers and other scrap materials	54,777	-
Dividend income	38,862	-
<b>Expenses:</b>		
Interest on borrowings	34,531	47,678
Lease interest	190	208
Depreciation of property, plant and equipment	173,844	163,917
Depreciation of rights-of-use assets	425	427
Amortisation of intangible assets	1,240	1,203
Gain on disposal of property, plant and equipment	(100)	(2,737)
Property, plant and equipment written off	1,125	598

### 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:

	<b>The Group</b>	
	<b>3 months ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current income tax expense		
- Profit for the financial period	27,320	8,101
- (Over)/Under provision in prior financial periods	-	-
	<u>27,320</u>	<u>8,101</u>

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

	The Group	
	12 months ended 31 December 2023 RMB'000	2022 RMB'000
Current income tax expense		
- Profit for the financial period	113,469	48,074
- (Over)/Under provision in prior financial periods	<u>(7,567)</u>	<u>521</u>
	<u>105,902</u>	<u>48,595</u>

### 7. Property, plant and equipment

During the year ended 31 December 2023, the Group acquired assets amounting to RMB114,049,000 (31 December 2022: RMB46,039,000) and written off assets with net carrying value amounting to RMB499,000 (31 December 2022: RMB598,000).

### 8. Goodwill arising on consolidation

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

#### 8.1. Goodwill impairment

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

	The Group	
	31 December 2023 RMB'000	31 December 2022 RMB'000
Dongming Changshun Transport Company Limited (东明县昌顺运输有限公司)	2,501	2,501
Dongming Qianhai Petrochemical Co., Ltd (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:

	The Group	
	31 December 2023 RMB'000	31 December 2022 RMB'000
<b>Equity security (unquoted)</b>		
- Dongming Qianhai Petrochemical Co., Ltd (东明前海化工有限公司)		
Beginning of financial period	42,972	79,761
Fair value gains / (losses) recognised in other comprehensive income	5,981	(36,789)
End of financial year	48,953	42,972

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:

	Level 3 RMB'000
<b>31 December 2023</b>	
Financial assets, at FVOCI	48,953
<b>31 December 2022</b>	
Financial assets, at FVOCI	42,972



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

10. Inventories

	The Group		The Company	
	31 December 2023 RMB'000	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2022 RMB'000
<b>At cost</b>				
Raw materials*	180,348	143,366	-	-
Finished goods	154,568	98,969	-	-
	<u>334,916</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	
	31 December 2023 RMB'000	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2022 RMB'000
Trade receivables				
- Non-related parties	6,174	8,544	-	-
Trade receivables				
- Related parties	5,135	77	-	-
Other receivables				
- Non-related parties	-	9,716	-	-
Accrued Revenue	3,182	1,079	-	-
Advances made to staff	533	471	-	-
Refundable deposits	-	100	-	-
	<u>15,024</u>	<u>19,987</u>	<u>-</u>	<u>-</u>

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

	The Group		The Company	
	31 December 2023 RMB'000	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2022 RMB'000
<b>Amount owing by affiliated companies</b>				
Amount owing by affiliated companies	329	11,098	-	-

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

12. Prepayments

	The Group		The Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Prepayments</b>				
Raw Materials	1,325	5,833	-	-
Others	35	2,939	-	28
	1,360	8,772	-	28

13. Share capital

	The Group		The Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Number of shares '000	Amount RMB'000	Number of shares '000	Amount RMB'000
Issued and fully paid, with no par value				
Balance at beginning and at end of interim period	640,000	316,125	640,000	316,125

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	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Amount repayable within one year or on demand</b>				
- Secured	60,000 <sup>(a)</sup>	60,000 <sup>(a)</sup>	-	-
- Unsecured	200,000 <sup>(b)</sup>	200,000 <sup>(b)</sup>	-	-
<b>Amount repayable after one year</b>				
- Secured	300,000 <sup>(a)</sup>	360,000 <sup>(a)</sup>	-	-
- Unsecured	50,000 <sup>(b)</sup>	250,000 <sup>(b)</sup>	-	-

(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	
	31 December 2023 RMB'000	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2022 RMB'000
Trade payables				
- Related parties	42,824	-	-	-
Trade payables				
- Non-related parties	41,829	74,663	-	-
Other payables				
- Non-related parties	13,887	23,602	-	-
Other payables				
- Staff	158	136	-	-
Accruals – Salaries and related costs	9,475	9,970	1,555	2,083
VAT payables	16,652	27,281	-	-
Other governmental tax payables	144	398	-	-
Deferred Income	2,072	-	-	-
Contract liabilities – advance collection from customers	14,231	2,087	-	-
	<u>141,272</u>	<u>138,137</u>	<u>1,555</u>	<u>2,082</u>

	The Group		The Company	
	31 December 2023 RMB'000	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2022 RMB'000
Amount owing to affiliated companies				
- Trade	63	13,538	-	-

16. Dividends

	The Company	
	31 December 2023 RMB'000	31 December 2022 RMB'000
Ordinary dividends paid		
- No dividend paid [2022: S\$0.006 (equivalent to RMB 0.0288) per share]	-	18,483

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

### 17. Net asset value

	The Group		The Company	
	31 December 2023 RMB'000	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2022 RMB'000
Net asset value per ordinary share	2.29	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 31 December 2023 and 31 December 2022.

	Note	The Group		The Company	
		31 December 2023 RMB'000	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2022 RMB'000
Financial Assets					
- At FVOCI	9	48,953	42,972	-	-
- At amortised cost		577,706	551,678	2,033	7,739
		<u>626,659</u>	<u>594,650</u>	<u>2,033</u>	<u>7,739</u>
Financial Liabilities					
- At amortised cost		723,915	995,926	278	2,082
		<u>723,915</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	
	31 December 2023 RMB'000	31 December 2022 RMB'000
<b>Sales to affiliated companies</b>		
- 东明前海热力有限公司	126,347	104,989
- 东明中油燃料石化有限公司	498,743	175,339
- 山东东明石化集团有限公司	5,308	4,752
- 东明石油经销有限公司	2,197	2,552
- 山东东明梨树化学有限公司	36,683	191,455
- 东明润明油品销售有限公司	331	237
- 东明万海氯碱化工有限公司	16,233	14,397
- 江苏新海石化有限公司	74,679	52,344
- 江苏润海油品销售有限公司	6,858	14,886
- 山东劲海化工有限公司	15	137
- 东明洁源环保科技有限公司	5	320
- 山东东明石化集团鲁班建筑有限公司	8,748	12,461
- 江苏新海新能源有限公司	702	591
- 东明清源水务有限公司	10	-
- 山东润泽化工有限公司	-	213,432
- 山东华旺热力有限公司	8,788	-
<b>Purchase from affiliated companies</b>		
- 东明前海热力有限公司	456,039	462,366
- 东明中油燃料石化有限公司	3,234,161	2,704,100
- 山东东明石化集团有限公司	56,371	47,430
- 东明石油经销有限公司	2,915	4,414
- 山东东明梨树化学有限公司	35,221	85,637
- 东明万海氯碱化工有限公司	668	-
- 江苏新海石化有限公司	6	52,608
- 江苏润海油品销售有限公司	-	46,531
- 山东劲海化工有限公司	-	1,441
- 东明洁源环保科技有限公司	3,473	2,096
- 山东东明石化集团鲁班建筑有限公司	5,806	13,858
- 东明清源水务有限公司	997	-
- 山东润泽化工有限公司	-	71,764
- 山东炼化能源集团有限公司	-	1,347
- 山东东明石化集团电力有限公司	-	1,295
<b>Interest expenses on loan charged by affiliated company</b>		
- 山东东明石化集团有限公司	18,024	27,362
<b>Other individually immaterial transactions</b>		
	6,043	-

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 31 December 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>4Q2023</b>	<b>3 months ended</b>		<b>3 months ended</b>		<b>+ / (-)</b>
<b>Analysis of Revenue</b>	<b>31 December 2023</b>	<b>%</b>	<b>31 December 2022</b>	<b>%</b>	<b>%</b>
	<b>RMB'000</b>		<b>RMB'000</b>		
Processed LPG					
- Total	448,106	28.7	476,109	34.7	(5.9)
- Inter-company	(299,732)	(19.2)	(338,082)	(24.7)	(11.3)
Propylene					
- Total	145,987	9.4	158,770	11.6	(8.1)
- Inter-company	(145,987)	(9.4)	(158,770)	(11.6)	(8.1)
Polypropylene	58,181	3.7	40	0.0	145,353
Premium grade polypropylene					
- Total	386,855	24.8	473,532	34.5	(18.3)
- Inter-company	-	-	(3,409)	(0.2)	(100.0)
MTBE	606,798	38.9	603,018	44.0	0.6
Hydrogen					
- Total	66,321	4.2	50,472	3.7	31.4
- Inter-company	(5,122)	(0.3)	-	-	100.0
Isobutylene	53,024	3.4	37,939	2.8	39.8
Other Gas	7,917	0.5	6,594	0.5	20.1
Utilities					
- Total	137,342	7.5	-	-	100.0
- Inter-company	(10,293)	(0.4)	-	-	100.0
Logistics and transport related services					
- Total	117,390	8.8	68,943	5.0	70.3
- Inter-company	(6,290)	(0.7)	(3,765)	(0.3)	67.1
<b>Total</b>	<b><u>1,560,497</u></b>	<b>100.00</b>	<b><u>1,371,391</u></b>	<b>100.0</b>	

## OTHER INFORMATION (CONT'D)

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

FY2023 Analysis of Revenue	12 months ended 31 December 2023		12 months ended 31 December 2022		+ / (-) %
	RMB'000	%	RMB'000	%	
Processed LPG					
- Total	1,645,182	30.8	1,616,412	33.3	1.8
- Inter-company	(976,153)	(18.3)	(1,090,700)	(22.5)	(10.5)
Propylene					
- Total	486,398	9.1	560,010	11.6	(13.1)
- Inter-company	(486,398)	(9.1)	(559,518)	(11.5)	(13.1)
Polypropylene	165,277	3.1	154,996	3.2	6.6
Premium grade polypropylene					
- Total	1,572,958	29.5	1,384,769	28.6	13.6
- Inter-company	(446)	0.0	(12,364)	(0.3)	(96.4)
MTBE	2,049,464	38.4	2,174,105	44.8	(5.7)
Hydrogen					
- Total	199,306	3.7	184,558	3.8	8.0
- Inter-company	(6,322)	(0.1)	-	-	-
Isobutylene	164,539	3.1	143,535	3.0	14.6
Other Gas	31,678	0.6	28,489	0.6	11.2
Utilities					
- Total	137,342	2.6	-	-	100.0
- Inter-company	(10,293)	(0.2)	-	-	100.0
Logistics and transport related services					
- Total	372,817	7.0	267,676	5.5	39.3
- Inter-company	(12,258)	(0.2)	(3,765)	(0.1)	225.6
<b>Total</b>	<b>5,333,091</b>	<b>100.0</b>	<b>4,848,203</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 1.78% from RM1,616.41 million in FY2022 to RMB1,645.18 million in FY2023, including inter-company transactions. A total of 319,293 tonnes were sold during FY2023, indicating an increase of 14.02% as compared to 281,873 tonnes in FY2022. Both the average selling prices ("ASP") and the average cost of production ("ACP") during the period have decreased by 10.59% and 9.82% respectively, compared to FY2022.

##### **(b) Propylene**

Propylene is used to be further processed into premium grade polypropylene in FY2023.

##### **(c) Polypropylene**

Polypropylene has increased by 6.63% from RMB155.00 million in FY2022 to RMB165.28 million in FY2023, including inter-company transactions. The total sales volume has also increased by 25.43% from 20,856 tonnes in FY2022 to 26,160 tonnes in FY2023. Both ASP and ACP have decreased by 14.99% and 11.95% respectively, compared to FY2022.

##### **(d) Premium grade polypropylene**

Premium grade polypropylene has increased by 14.61% from RMB1,372.41 million in FY2022 to RMB1,572.96 million in FY2023, including inter-company transactions. The total sales volume has also increased by 23.54% from 188,766 tonnes in FY2022 to 233,202 tonnes in FY2023. Both ASP and ACP have decreased by 7.23% and 10.25% respectively, compared to FY2022.

##### **(e) MTBE**

The sale of MTBE has decreased by 5.73% from RMB2,174.00 million in FY2022 to RMB2,049.46 million in FY2023. Sales volume decreased 5.11% from 339,703 tonnes in FY2022 to 322,338 tonnes in FY2023. Both ASP and ACP during FY2023 decreased by 0.65% and 12.28% respectively, compared to FY2022. This also resulted in a significant increase in gross profit.

##### **(f) Hydrogen**

In FY2023, hydrogen sales volume has increased by 8.06% to 13,567 tonnes in FY2023, compared to 12,555 tonnes in FY2022. Revenue has also increased 7.99%, from RMB184.56 million in FY2022 to RMB199.31 million in FY2023, including inter-company transactions. ASP has decreased 0.06% and ACP has increased by 14.12% in FY2023, compared to FY2022.

##### **(g) Isobutylene**

Isobutylene has increased 14.63% from RMB143.53 million in FY2022 to RMB164.54 million in FY2023 as total sales volume has also increased by 13.88% to 16,512 tonnes in FY2023, compared with 14,500 tonnes in FY2022. ASP has increased 0.66% and ACP has decreased by 13.717% for FY2023, compared to FY2022.

## 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 11.19%, rising from RMB28.49 million in FY2022 to RMB31.68 million in FY2023. Total sales volume has also increased 22.55% from 4,529 tonnes in FY2022 to 5,550 tonnes in FY2023. ASP has decreased 9.27% and ACP has increased 1.06%, compared to FY2022.

##### **(i) Utilities**

Since the fourth quarter, the Group has changed its financial accounting method from the previous method of offsetting the cost of purchasing utilities to the current method of including it in sales revenue.

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

Revenue from this business has increased by 39.30% from RMB267.68 million in FY2022 to RMB372.82 million in FY2023, including inter-company transactions.

#### **Gross profit**

The gross profit has increased from RMB196.98 million in FY2022 to RMB400.06 million in FY2023. The reasons for the increase are mainly due to the increase in the gross margin of the Group's main products MTBE and high-end polypropylene, as well as the increase in the volume of logistics and transportation business.

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

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

In the twelve months ended 31 December 2023, an interest income of RMB6.42 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 RMB1.52 million.

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

Administrative costs have increased from RMB33.93 million in FY2022 to RMB37.31 million in FY2023. This increase was primarily driven by an RMB8.72 million increase in research and development expenses, partially offset by a RMB5.33 million decrease in other administrative spending compared to FY2022.

##### **(c) Distribution costs**

Distribution costs have increased from RMB0.25 million in FY2022 to RMB6.23 million. This was mainly due to the increase in providing of door-to-door transportation services to meet some customers' demand in FY2023,

## OTHER INFORMATION (CONT'D)

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

#### (d) Other operating expense

Other operating expenses have increased from RMB0.27 million in FY2022 to RMB5.13 million in FY2023. The main reasons for the increase include:

- During the overhaul of the subsidiary Qianhai Petrochemical in May 2023, the cleaning of storage tanks, system pipelines and other public utilities resulted in a loss of RMB4.22 million in raw materials and inventory goods;
- The subsidiary Hengchang Petrochemical had a loss of RMB0.43 million in its inventory check at the end of June 2023; and
- Other non-operating expenses increased by RMB0.21 million compared to FY2022.

#### (e) Finance costs

The finance costs have decreased from RMB47.68 million in FY2022 to RMB34.53 million in FY2023 as a total of RMB260.00 million of borrowings has been repaid.

#### (f) Taxation

Entities make quarterly tax provisions based on their respective profitability.

#### (g) Net Profit

The Group recorded a net profit of RMB313.17 million in FY2023, compared to RMB79.06 million in FY2022. The increase in net profit mainly comes from the increase in operating profit and the dividends received from Dongming Qianhai Reli Co., Ltd.

## 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 RMB180.35 million of raw materials and an equivalent value of RMB154.57 million in finished petrochemical products, both recorded at cost. The increase in raw materials is primarily due to Qianhai's replenishment of catalyzers of RMB88.16 million.

#### (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.

## OTHER INFORMATION (CONT'D)

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

#### (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 RMB60.0 million has been repaid in FY2023.

#### (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 RMB200.0 million has been repaid in FY2023.

### Condensed Interim Consolidated Statement of Cash Flow

The Group generated a net cash inflow of RMB564.40 million from its operating activities, while its investing activities resulted in a net cash outflow of RMB68.52 million and financing activities resulted in a net cash outflow of RMB454.07 million during the twelve months ended 31 December 2023.

As of 31 December 2023, the group had a cash balance of RMB562.89 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 31 December 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.**

	31 December 2023	31 December 2022
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.**

	<b>3 months ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
<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)	1.66	0.06
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)	1.66	0.06
No. of shares in issue (weighted average)	<u>640,000,000</u>	<u>640,000,000</u>
	<b>12 months ended 31 December</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)	34.00	6.16
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)	34.00	6.16
No. of shares in issue (weighted average)	<u>640,000,000</u>	<u>640,000,000</u>

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.**

In 2024, the industry's production capacity will further expand, providing a broad space and opportunities for the company's development. At the same time, industry competition will also become increasingly fierce. The Group will continue to take technological innovation as the starting point, increase the development of new high-end polypropylene products, and inject new impetus into the company's development and continue to strengthen cooperation with suppliers, customers and other upstream and downstream companies to improve product quality and service to meet market competition and challenges.

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

## OTHER INFORMATION (CONT'D)

### 7. Dividend information

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes

Name of Dividend: Final

Dividend Type: Cash Dividend

Amount per share (in cents): 0.5 cent per ordinary share

Tax Rate: Tax exempt (1-tier)

(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

To be advised

(d) Book Closure Date

To be advised

## 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 December 2023:-</b></p> <p>Transactions between Dongming Hengchang Petrochemical Co., Ltd (东明恒昌化工有限公司) and its subsidiary Dongming Qianhai Petrochemical Co., Ltd (东明前海化工有限公司) <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>- Contra of Utilities on Productions</li> <li>- Processed LPG</li> <li>- Propylene</li> <li>- Recycled Propylene</li> <li>- Hydrogen</li> </ul>		<p style="text-align: right;">9,404,077</p> <p style="text-align: right;">10,293,228</p> <p style="text-align: right;">5,012,780</p> <p style="text-align: right;">976,152,770</p> <p style="text-align: right;">483,081,871</p> <p style="text-align: right;">2,309,443</p> <p style="text-align: right;">1,309,540</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> <li>- Purchase parts and components</li> </ul>		<p style="text-align: right;">18,502,352</p> <p style="text-align: right;">455,967,178</p> <p style="text-align: right;">107,844,240</p> <p style="text-align: right;">72,135</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 (东明中油燃料石化有限公司) - Logistics & Transport Related Services - Purchase of Utilities - Contra of Utilities on Productions# 986,167 - Purchase of LPG - Sale of Processed LPG - Purchase of Propylene - Sale of recycled Propylene# 560,792 - Sale of Hydrogen# 197,996,445 - Purchase parts and components - Maintenance of parts and machineries# 2,714,593 - Sale of Waste Materials# 11,396,196		138,421,961 48,539,266 2,793,556,953 149,381,134 386,798,320 2,552,031
Shandong Dongming Petrochem Group Co., Ltd (山东东明石化集团有限公司) - Logistics & Transport Related Services - Purchase of Utilities		5,305,384 56,370,692
Dongming Crude Oil Distribution Co., Ltd (东明石油经销有限公司) - Logistics & Transport Related Services - Sale of Polypropylene# 52,389 - Purchase parts and components - Consignment Fee		2,144,496 1,777,462 1,137,997



**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 (山东东明梨树化学有限公司) - Logistics & Transport Related Services - Purchase of Utilities - Purchase of LPG - Sale of Processed LPG		974,354 14,020 35,206,542 35,708,349
Dongming Runming Oil Products Distribution Co., Ltd (东明润明油品销售有限公司) - Logistics & Transport Related Services		330,513
Dongming WanHaiLuiJiang Petrochemical Co., Ltd (东明万海氯碱化工有限公司) - Logistics & Transport Related Services - Purchase parts and components		16,233,332 668,324
Jiangsu Xinghai Petrochem Co., Ltd (江苏新海石化有限公司) - Logistics & Transport Related Services - Purchase of Utilities		74,679,471 6,151
Jiangsu Runhai Oil Products Distribution Co., Ltd (江苏润海油品销售有限公司) - 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 (山东劲海化工有限公司) - Logistics & Transport Related Services		15,256
Dongming Jie-Yuan Environmental Technology Pte Ltd (东明洁源环保科技有限公司) - Logistics & Transport Related Services - Sewage Charge <sup>#</sup>	3,473,003	4,919
Shandong Dongming Petrochem Group Lu Ban Construction Pte Ltd (山东东明石化集团鲁班建筑有限公司) - Logistics & Transport Related Services - Purchase parts and components - Maintenance of parts and machineries <sup>#</sup> - Sale of obsolete assets <sup>#</sup>	5,717,792 303,240	8,444,871 88,452
Jiangsu Xinghai New Energy Co., Ltd (江苏新海新能源有限公司) - Logistics & Transport Related Services		702,431
Dongming Qingyuan Co., Ltd (东明清源水务有限公司) - Logistics & Transport Related Services - Purchase of Utilities		9,729 996,963
Shandong Huayang Reli Co., Ltd (山东华旺热力有限公司) - Logistics & Transport Related Services		8,788,048

## OTHER INFORMATION (CONT'D)

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

*#The Company shall be convening an EGM to obtain shareholders' approval for the proposed ratification of the Past Recurrent IPTs and the adoption of the proposed new IPT General Mandate for future IPTs. The details of the Past Recurrent IPTs, proposed ratification of the Past Recurrent IPTs and the adoption of the proposed new IPT General Mandate for future IPTs are set out in the EGM circular to be released. Further, the Company will make further announcements on SGXNET regarding the EGM at the appropriate juncture with more information regarding the foregoing.*

## 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	38	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.

Singapore  
29 February 2024