

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

UNAUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding year.

**Consolidated statement of comprehensive income for the
Year ended 31 December 2020**

	Full year ended 31/12/2020 <u>RMB'000</u>	Full year ended 31/12/2019 <u>RMB'000</u>	Change + / (-) %
Revenue	3,182,338	3,660,048	(13.1%)
Cost of sales	(2,896,460)	(3,389,710)	(14.6%)
Gross profit	285,878	270,338	5.7%
Other income	57,157	24,555	132.8%
Distribution costs	(325)	(892)	(63.6%)
Administrative costs	(52,169)	(58,799)	(11.3%)
Other operating expenses	(76)	(57)	33.3%
Finance costs	(38,407)	(51,258)	(25.1%)
Profit before taxation	252,058	183,887	37.1%
Taxation	(67,484)	(45,873)	47.1%
Net profit	184,574	138,014	33.7%
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Financial assets, at FVOCI			
- Fair value gains – equity investment	49,311	-	NM
Total comprehensive income for the financial year	233,885	138,014	69.5%
Net profit attributable to:			
Equity holders of the Company	158,552	113,692	
Non-controlling interests	26,022	24,322	
	184,574	138,014	
Total comprehensive income attributable to:			
Equity holders of the Company	193,069	113,692	
Non-controlling interests	40,816	24,322	
	233,885	138,014	

Notes to the Consolidated statement of comprehensive income

	Full year ended 31/12/2020 <u>RMB'000</u>	Full year ended 31/12/2019 <u>RMB'000</u>	Change (+/-) %
Profit before tax is arrived at after charging/(crediting):			
Interest income	(3,240)	(3,919)	(17.3)
Interest expense	38,407	51,258	(25.1%)
Amortisation of land use rights	1,083	984	10.1%
Depreciation of property, plant and equipment	111,844	177,555	(37.0%)
Depreciation of right-of-use assets	425	425	NM
Property, plant and equipment written off	1,883	(752)	NM
Loss on disposal on property, plant and equipment	37	-	NM

NM – Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	1,921,658	1,635,133	-	-
Right-of-use assets	4,427	4,852	-	-
Land use rights	91,285	92,368	-	-
Goodwill on consolidation	10,345	10,345	-	-
Investment in subsidiaries	-	-	250,041	250,041
Investment securities	79,761	30,450	-	-
	<u>2,107,476</u>	<u>1,773,148</u>	<u>250,041</u>	<u>250,041</u>
CURRENT ASSETS				
Land use rights	1,085	1,085	-	-
Inventories	146,717	92,766	-	-
Trade and other receivables	40,907	42,879	-	-
Prepayments	5,020	8,400	-	-
Amount owing by a subsidiary	-	-	7,612	14,376
Amount owing by affiliated companies	2,542	2,810	-	-
Amount owing by non-controlling interest	-	137,757	-	-
Cash and bank balances	352,035	66,247	1,769	500
	<u>548,306</u>	<u>351,944</u>	<u>9,381</u>	<u>14,876</u>
TOTAL ASSETS	<u><u>2,655,782</u></u>	<u><u>2,125,092</u></u>	<u><u>259,422</u></u>	<u><u>264,917</u></u>
EQUITY				
Equity attributable to owners of the company				
Share capital	316,125	316,125	316,125	316,125
Retained earnings/(accumulated losses)	334,224	192,355	(58,684)	(52,907)
Capital reserve	250,000	250,000	-	-
Fair value reserve	34,517	-	-	-
Reserves	91,806	75,123	-	-
	<u>1,026,672</u>	<u>833,603</u>	<u>257,441</u>	<u>263,218</u>
Non-controlling interests	<u>197,976</u>	<u>157,160</u>	<u>-</u>	<u>-</u>
TOTAL EQUITY	<u>1,224,648</u>	<u>990,763</u>	<u>257,441</u>	<u>263,218</u>

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
LIABILITIES				
NON-CURRENT LIABILITIES				
Bank borrowings	480,000	31,250	-	-
Loan from non-controlling interest	625,000	-	-	-
Lease liabilities	4,407	4,781	-	-
	<u>1,109,407</u>	<u>36,031</u>	<u>-</u>	<u>-</u>
CURRENT LIABILITIES				
Trade and other payables	142,032	97,429	1,981	1,699
Amount owing to affiliated companies	6,948	25	-	-
Loan from non-controlling interest	80,000	850,000	-	-
Bank borrowings	51,250	125,000	-	-
Lease liabilities	373	356	-	-
Current tax payable	41,124	25,488	-	-
	<u>321,727</u>	<u>1,098,298</u>	<u>1,981</u>	<u>1,699</u>
TOTAL LIABILITIES	<u>1,431,134</u>	<u>1,134,329</u>	<u>1,981</u>	<u>1,699</u>
TOTAL EQUITY AND LIABILITIES	<u>2,655,782</u>	<u>2,125,092</u>	<u>259,422</u>	<u>264,917</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
51,250 ^{(1),(2)}	80,000 ⁽³⁾	125,000 ⁽¹⁾	850,000 ⁽³⁾

Amount repayable after one year

As at 31/12/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
480,000 ⁽²⁾	625,000 ⁽³⁾	31,250 ⁽¹⁾	-

Details of any collateral

1. Bank borrowings of the subsidiary Dongming Qianhai is secured by a mortgage over the property, plant and equipment of an affiliated company, Dongming Runze Petrochemical Co.,Ltd (东明润泽化工有限公司);
2. 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);
3. 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).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of cash flows for the year

<u>ended 31 December 2020</u>	31/12/2020	31/12/2019
	<u>RMB'000</u>	<u>RMB'000</u>
Cash flows from operating activities		
Profit before taxation	252,058	183,887
Adjustments for: -		
Amortisation of land use rights	1,083	984
Depreciation of property, plant and equipment	111,844	177,555
Depreciation of right-of-use assets	425	425
Loss on disposal of property, plant and equipment	37	-
Property, plant and equipment written off	1,883	(752)
Interest expense	38,407	51,258
Interest income	(3,240)	(3,919)
Operating profit before working capital changes	402,497	409,438
Changes in working capital:		
Change in inventories	(53,951)	9,487
Change in amount owing by affiliated companies - Trade	7,191	(162,578)
Change in operating receivables	5,352	(2,280)
Change in operating payables	44,603	(22,185)
Cash generated from operations	405,692	231,882
Tax paid	(51,848)	(25,982)
Net cash generated from operating activities	353,844	205,900
Cash flows from investing activities		
Acquisition of property, plant and equipment	(400,797)	(290,923)
Proceeds from sales of property, plant and equipment	508	27
Acquisition of land use rights	-	(13,790)
Refund received on land use rights	-	22,473
Change in amount owing to non-controlling interests	137,757	54,943
Interest received	3,240	3,919
Net cash used in investing activities	(259,292)	(223,351)

**Consolidated statement of cash flows for the year
ended 31 December 2020**

	31/12/2020	31/12/2019
	<u>RMB'000</u>	<u>RMB'000</u>
Cash flows from financing activities		
Dividends paid	-	(15,939)
Proceeds from loan from non-controlling interest	-	850,000
Repayment of loan to non-controlling interest	(145,000)	(1,000,000)
Interest paid	(38,407)	(51,258)
Payment of principal portion of lease liabilities	(357)	(320)
Proceeds from bank borrowing	500,000	-
Repayment of bank borrowings	(125,000)	(125,000)
Net cash generated from/(used in) financing activities	191,236	(342,517)
Net increase/(decrease) in cash and cash equivalents	285,788	(359,968)
Cash and cash equivalents at beginning of year	66,247	426,215
Cash and cash equivalents at end of year	352,035	66,247

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

Cash on hand	61	11
Bank balances	344,974	59,236
Fixed deposits placed with financial institutions	7,000	7,000
	352,035	66,247

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED STATEMENT OF CHANGES IN EQUITY - GROUP

	Share capital RMB'000	Retained earnings RMB'000	Capital reserve RMB'000	Fair value reserve RMB'000	Other reserves		subtotal RMB'000	Equity attributable to owners RMB'000	Non-controlling interest RMB'000	Total RMB'000
					Statutory common reserve RMB'000	Voluntary common welfare fund RMB'000				
1 January 2019 to 31 December 2019										
Balance as at 1 January 2019	316,125	109,123	250,000	-	59,985	797	60,782	736,030	132,838	868,868
Adjustment from the adoption of SFRS(I)16	-	(180)	-	-	-	-	-	(180)	-	(180)
Other comprehensive income for the year	-	113,692	-	-	-	-	-	113,692	24,322	138,014
Dividends paid	-	(15,939)	-	-	-	-	-	(15,939)	-	(15,939)
Transfer to statutory common reserve	-	(14,341)	-	-	14,341	-	14,341	-	-	-
Balance as at 31 December 2019	316,125	192,355	250,000	-	74,326	797	75,123	833,603	157,160	990,763

	Share capital RMB'000	Retained earnings RMB'000	Capital reserve RMB'000	Fair value reserve RMB'000	Other reserves		subtotal RMB'000	Equity attributable to owners RMB'000	Non-controlling interest RMB'000	Total RMB'000
					Statutory common reserve RMB'000	Voluntary common welfare fund RMB'000				
1 January 2020 to 31 December 2020										
Balance as at 1 January 2020	316,125	192,355	250,000	-	74,326	797	75,123	833,603	157,160	990,763
Profit for the year	-	158,552	-	-	-	-	-	158,552	26,022	184,574
Other comprehensive income for the year	-	-	-	34,517	-	-	-	34,517	14,794	49,311
Dividends paid	-	-	-	-	-	-	-	-	-	-
Transfer to statutory common reserve	-	(16,683)	-	-	16,683	-	16,683	-	-	-
Balance as at 31 December 2020	316,125	334,224	250,000	34,517	91,009	797	91,806	1,026,672	197,976	1,224,648

UNAUDITED STATEMENT OF CHANGES IN EQUITY - COMPANY

1 January 2019 to 31 December 2019	Share Capital	Accumulated losses	Total
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Balance as at 1 January 2019	316,125	(29,006)	287,119
Total comprehensive income for the period	-	(7,962)	(7,962)
Dividend paid	-	(15,939)	(15,939)
Balance as at 31 December 2019	316,125	(52,907)	263,218

1 January 2020 to 31 December 2020	Share Capital	Accumulated losses	Total
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Balance as at 1 January 2020	316,125	(52,907)	263,218
Total comprehensive loss for the period	-	(5,777)	(5,777)
Dividend paid	-	-	-
Balance as at 31 December 2020	316,125	(58,684)	257,441

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- 1(d) (ii) 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 during the current financial year reported on. There were no outstanding convertibles issued or treasury shares held by the Company as at 31 December 2020

- 1(d) (iii) 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.**

Company	<u>31/12/2020</u>	<u>31/12/2019</u>
Total number of issued shares (excluding treasury shares)	640,000,000	640,000,000

- 1(d) (iv) 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.

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except for those disclosed in item 5 below, the Group had applied the same accounting policies and methods of computation in the financial statements for the current financial period as those adopted in the audited financial statement for the financial year ended 31 December 2020.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

On 1 January 2019, the Group adopted the new and amended Singapore Financial Reporting Standards (International) ["SFRS(I)s"] that are mandatory for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s.

The adoption of these new SFRS(I)s did not result in any substantial change to the Group's accounting policies nor has any material impact on the financial statements of the Group for the financial year ended 31 December 2020.

6 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.

	Full year ended 31/12/2020 <u>RMB (cents)</u>	Full year ended 31/12/2019 <u>RMB (cents)</u>
Profit per share for the year based on net profit attributable to owners of the parent		
(a) Based on basic number of ordinary shares on issue	24.8	17.8
=No. of shares in issue (weighted average)	640,000,000	640,000,000
(b) On a fully diluted basis	24.8	17.8
No. of shares in issue (weighted average)	640,000,000	640,000,000

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	31/12/2020 <u>RMB</u>	31/12/2019 <u>RMB</u>	31/12/2020 <u>RMB</u>	31/12/2019 <u>RMB</u>
Net asset value per ordinary share	1.60	1.30	0.40	0.41

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Production and revenue were being affected by the outbreak of COVID-19 and lockdown during the beginning of financial year 2020.

An analysis of revenue contributions from each business /product are set out as follows; -

Analysis of sales by product/business (RMB'000)	4th Qtr 2020		4th Qtr 2019		Full year 2020		Full year 2019	
		%		%		%		%
Processed LPG - Total	262,788	28%	356,910	32%	925,358	29%	1,180,596	32%
- Inter-companies *	(154,498)	-16%	(219,415)	-20%	(567,165)	-18%	(645,783)	-18%
Propylene	101,761	11%	102,454	9%	335,140	11%	318,054	9%
Polypropylene	80,297	8%	92,260	8%	280,012	9%	296,521	8%
MTBE **	330,255	35%	431,776	39%	1,105,863	35%	1,369,222	37%
Propylene II **	172,966	18%	182,844	16%	560,537	18%	637,036	17%
Hydrogen **	56,198	6%	53,499	5%	189,049	6%	176,307	5%
Isobutylene **	34,543	4%	54,329	5%	127,060	4%	169,898	5%
Other Gas **	4,304	NM	5,414	NM	15,848	0%	15,761	NM
Logistics & transport related services	65,378	7%	49,494	4%	210,636	7%	142,436	4%
TOTAL	953,992		1,109,565		3,182,338		3,660,048	

*supplied of LPG to subsidiary company Dongming Qianhai and subjects to group elimination

** petrochemical products contributed by subsidiary company Dongming Qianhai

(a) Processed LPG

Sale of processed LPG decreases by 21.6% from RMB 1.2 billion in FY2019 to RMB 925.3 million in FY2020. Although the production output increases by 3.3% compared to FY 2019, decrease is mainly due to overall average selling price ("ASP") and average cost of production ("ACP") during the year decrease by 24.1% and 25.9% respectively as compared to FY2019.

(b) Propylene

Sale of propylene increases by 5.4% from RMB 318.0 million in FY2019 to RMB 335.1 million in FY2020. Increase mainly due to increase in the production output by 13.4% as compare to FY 2019. Both ASP and ACP decrease by 7.1% and 10.6% respectively as compare to FY2019.

(c) Polypropylene

Polypropylene decreases by 5.6% from RMB 296.5 million in FY2019 to RMB 280.0 million in FY2020. Decrease is due to production output increases by 3.4% but offsetting by greater decreases in the ASP and ACP by 8.6% and 10.7% respectively as compare to FY2019.

(d) MTBE

Sale decreases by 19.2% from RMB 1.4 billion in FY2019 to RMB 1.1 billion in FY2020. Production output increases by 13.1% compared to FY2019 but offset by decrease in the ASP and ACP during the year by 28.6% and 32.8% respectively as compared to FY2019.

(e) Propylene II

Sale of propylene decreases by 12.0% from RMB 637.0 million in FY2019 to RMB 560.5 million in FY2020. Mainly due to production output and ASP both decrease by 5.2% and 7.2% as compare to FY2019.

(f) **Hydrogen**

Hydrogen is mainly transacted with an affiliate party for its production consumption. During the year, revenue and production volume increase by 7.2% and 6.8% respectively, resulted revenue increase from RMB 176.3 million in FY2019 to RMB 189.0 million in FY2020.

(g) **Isobutylene**

Isobutylene decrease by 25.2% from RMB 169.9 million in FY 2019 to RMB 127.0 million in FY2020, mainly due to decrease in ASP and ACP by 27.7% and 32.2% respectively as compare to FY2019. However, there is an increase on production and sale volume by 3.5% as compare to FY2019.

(h) **Logistics & transport related service**

Total revenue increase significantly 47.9% from RMB 142.4 million in FY2019 to RMB 210.6 million in FY2020. Increase is due to the change to delivery model with our strategic partner resulted an increase on transportation requirement between the Dongming county and Jiangsu areas.

Gross profit

Despite ASP decreases across all products, increase in most products production resulted gross profit increases by 5.7% from RMB 270.3 million in FY2019 to RMB 285.9 million in FY2020.

Other income and expenses

(a) **Other income**

Mainly comprise of income received from the disposal of used catalyzer and consumables amounted to RMB 45.7 million, total grant from governments amounted to RMB 5.2 million and RMB 2.7 million from bank interest;

(b) **Finance expense**

Mainly amount of RMB 33.3 million of interest accrued and paid on the loan from non-controlling interest and the balance relates to bank borrowing;

(c) **Taxation**

Additional tax has been assessed and payable on subsidiary Dongming Qianhai which resulted higher than 25% rate;

(d) **Fair value gains – equity investment**

Gains in FVOCI was due to the increase in fair value of the Group's 18% equity investment in 东明前海热力有限公司, an investment held by subsidiary company Dongming Qianhai. This investment is holding as a strategic, long-term asset and the Group has no plans to dispose of this.

东明前海热力有限公司 is in the manufacturing and industrial power and utilities supplies.

Net profit

The Group made a profit and comprehensive income of RMB 158.5 million and RMB 193.0 million respectively attributed to the equity holders of the company, as compared to profit of RM113.7 million in FY2019.

Balance Sheet

Highlights on changes in balance sheet items of the Group are as follows ;-

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

The increase mainly due to the capitalisation of initial costs on the construction-in-progress of newly polypropylene production plant in subsidiary Dongming Hengchang. As of reporting date, total of RMB 673.6 million has been capitalised.

(b) **Investment securities**

(refers to above Fair value gain – equity investment) Investment held in 东明前海热力有限公司;

(c) **Inventories**

Inventories comprise of approximately RMB 91.6 million on raw materials and equivalent value of RMB 55.1 million on finished petrochemical products, recorded at cost;

(d) **Bank Borrowing**

Comprise of two bank borrowing as follow;-

- i. Bank borrowing relates to a long-term capital loan obtained from the bank by subsidiary Dongming Qianhai. The loan is carrying an interest rate of 4.75% per annum with a fixed repayment term of RMB 31.25 million in each quarterly. Last and final loan repayment will be in end February 2021;
- ii. Capital loan from bank to financing the Dongming Hengchang's new polypropylene construction. The loan is carrying at interest rate of 4.41% per annum and repayment is scheduled to *commence from June of FY2021*.

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

Loan is unsecured, bearing interest at 4.75% per annum and with a scheduled quarterly repayments till April 2025. This long-term loan which is from non-controlling interest Dongming Petrochem Group to financing the working capital use in Dongming Qianhai prior to acquisition completed;

(f) **Right-of-use assets / lease liabilities**

As a result of the adoption of SFRS (I)-16 since 1 January 2019, the Group recognised its existing operating lease arrangements as right-of-use assets with corresponding lease liabilities;

(g) **Fair value reserve**

Gain in FVOCI that attributed to the equity holders of the company;

(h) **Reserve**

Increase is due to the requirement to set aside of 10% on profits made by all PRC companies;

(i) **Non-controlling interest**

Represent 30% controlling stake in subsidiary Dongming Qianhai by Dongming Petrochem Group.

Cash flow

The group generated RMB 353.9 million and RMB 191.2 million from the operating activities and financing activities respectively, offset by the net cash used in investing activities amount of RMB 259.3 million.

As a result, the Group's cash and cash equivalent amounting to RMB 352.0 million, increase from RMB 66.2 million in FY 2019.

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

None.

10 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.

China's economy expanded by 2.3% in 2020, to become the only major world economy to grow in the pandemic-ravaged year. The World Bank earlier this January predicted China's economy would grow 7.9% in 2021. Oxford Economics previously predicted growth of 8.1% in 2021, as well as the IMF has forecasted in January 2021 that China's GDP growth will speed up to 8.1% in 2021. The rebound in economic activity and continual demand for protective surgical masks and related products have helped to drive the demand for individual products such as polypropylene (Pp) fibre which is used in the manufacturing of these protective equipment.

The construction of the new polypropylene production plant, which has an annual production capacity of 200,000 tons/year, has completed, and the Group is currently amid commencing trial productions and ramping up utilization. We expect production at the new polypropylene plant to normalize by the end of 1Q2021 and will contribute positively to the Group's financial performance in the year ahead.

Against the backdrop of a macroeconomic recovery and the completion of the new polypropylene plant, the Group is cautiously optimistic about its financial performance for the year ahead. The Group will continue to manage its cash flow closely and focus on cost efficiency and stable production.

11 Dividend

(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): Tax Rate: 0.5 cent per ordinary share 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) Books closure date

To be advised

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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 periods 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 periods from October 2020 to December 2020 :-</p> <p>Dongming Zhongyou Fuel and Petrochemical Company Limited (东明中油燃料石化有限公司)</p> <ul style="list-style-type: none"> - Purchase of raw LPG - Purchase of utilities - Logistics & transport related services provided to 		<p>RMB 486,168,684</p> <p>RMB 3,101,153</p> <p>RMB 1,757,831</p>

<p>Shandong Dongming Petrochem Group Co., Ltd. (山东东明石化集团有限公司)</p> <ul style="list-style-type: none"> - Purchase of utilities, part & components - Sale of processed LPG - Logistics & transport related services provided to - Accrued Interest on loan from non-controlling interest 		<p>RMB 5,010,506</p> <p>RMB 14,124,394</p> <p>RMB 10,860</p> <p>RMB 7,915,187</p>
<p>Dongming Runze Petrochemical Co., Ltd (东明润泽化工有限公司)</p> <ul style="list-style-type: none"> - Purchase of utilities, part & components (include annual replacement of catalyzer and consumables) - Sale of Hydrogen gas to - Sale of utilities to 		<p>RMB 14,431,338</p> <p>RMB 56,198,585</p> <p>RMB 6,558,680</p>
<p>Dongming Crude Oil Distribution Co., Ltd (东明石油经销有限公司)</p> <ul style="list-style-type: none"> - Logistics & transport related services provided to - Consignment fee 	RMB 1,136,440	RMB 15,121,441
<p>Shandong Dongming Lishu Petroluem Co., Ltd (山东东明梨树化学有限公司)</p> <ul style="list-style-type: none"> - Sales of processed LPG - Purchase of LPG - Purchase of utilities 		<p>RMB 74,261,969</p> <p>RMB 39,438,052</p> <p>RMB 3,833</p>
<p>Dongming Runming Oil Products Distribution Co., Limited (东明润明油品销售有限公司)</p> <ul style="list-style-type: none"> - Logistics & transport related services provide to 		RMB 52,805

14. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 15 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

No reporting by geographical location and business segments are presented as the Group operates solely in the PRC and within the 400km radius of our production facilities.

- 16 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

- 17 **A breakdown of sales.**

	31/12/2020	31/12/2019	Change+/-)
Revenue	RMB'000	RMB'000	%
-first half	1,516,845	1,928,195	(21.3)
-second half	1,665,493	1,733,853	(3.9)
Profit after tax			
-first half	32,666	33,676	(3.0)
-second half	151,908	104,338	45.6

- 18 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total Annual Dividend

	Latest Full Year (SGD'000)	Previous Full Year (SGD'000)
Final dividend	NIL	NIL

- 19 **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	60	Father of Li Zhi, non-executive Director of the Company	Non Executive Chairman Since 2006, Substantial shareholder of the Company.	None

Li Zhi	35	Son of Mr Li Xiangping, the Non Executive Chairman of the Company	Non Executive Director of the Company Since 2019	None

20 Confirmation that the issuer has procured undertakings from all its directors and executive officers

The Company confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual of Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

**ZHANG LIUCHENG
EXECUTIVE DIRECTOR**