

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 2021

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

	The Group 3 months ended 31 December			+/- Note	The Group 12 months ended 31 December		
	2021 RMB'000	2020 RMB'000	%		2021 RMB'000	2020 RMB'000	%
Revenue	1,370,425	950,873	44.1	4.2	4,716,209	3,182,338	48.2
Cost of sales	(1,309,932)	(828,978)	58.0		(4,237,518)	(2,896,460)	46.3
Gross profit	60,493	121,895	(50.4)		478,691	285,878	67.4
Other income	6,011	49,280	(87.8)		13,476	57,122	(76.4)
Distribution costs	(224)	(225)	(0.0)		(269)	(325)	(17.2)
Administrative costs	(9,960)	(25,811)	(61.4)		(28,157)	(52,134)	(46.0)
Other operating expense	(84)	(11)	663.6		(462)	(76)	507.9
Finance costs	(13,300)	(8,818)	50.8		(49,128)	(38,407)	27.9
Profit before taxation	42,936	136,310	(68.5)	5	414,151	252,058	64.3
Income tax expense	(13,513)	(36,392)	(62.9)	6	(106,833)	(67,484)	58.3
Net profit for the year	29,423	99,918	(70.6)		307,318	184,574	66.5
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 gains – equity investment	-	49,311	(100.0)		-	49,311	(100.0)
Total comprehensive income for the year	29,423	149,229	(80.3)		307,318	233,855	31.4
Net profit attributable to:							
Equity holders of the Company	21,719	78,147			237,423	158,552	
Non-controlling interests	7,704	21,771			69,895	26,022	
	29,423	99,918			307,318	184,574	
Total comprehensive income attributable to:							
Equity holders of the Company	21,719	112,663			237,423	193,069	
Non-controlling interests	7,704	36,566			69,895	40,816	
	29,423	149,229			307,318	233,885	
Earnings per share attributable to equity holders of the Company (RMB cents per share)							
Basic	3.39	12.21			37.10	24.77	
Diluted	3.39	12.21			37.10	24.77	

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		31 December 2021 RMB'000	31 December 2020 RMB'000	31 December 2021 RMB'000	31 December 2020 RMB'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment		1,744,144	1,921,658	-	-
Right-of-use assets		4,002	4,427	-	-
Land use rights		90,550	91,285	-	-
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	79,761	79,761	-	-
		<u>1,928,802</u>	<u>2,107,476</u>	<u>250,041</u>	<u>250,041</u>
CURRENT ASSETS					
Land use rights		1,085	1,085	-	-
Inventories	10	258,811	146,717	-	-
Trade and other receivables	11	57,431	40,907	-	-
Amount owing by a subsidiary corporation	11	-	-	7,487	7,612
Amounts owing by affiliated companies	11	9,308	2,542	-	-
Prepayments	12	2,983	5,020	-	-
Cash and bank balances		702,615	352,035	1,828	1,769
		<u>1,032,233</u>	<u>548,306</u>	<u>9,315</u>	<u>9,381</u>
TOTAL ASSETS		<u>2,961,035</u>	<u>2,655,782</u>	<u>259,356</u>	<u>259,422</u>
EQUITY					
Equity attributable to equity holders of the parents					
ASSETS					
Share capital	13	316,125	316,125	316,125	316,125
Retained profits/(accumulated losses)		525,368	334,224	(58,934)	(58,684)
Fair value reserves		34,517	34,517	-	-
Capital reserves		250,000	250,000	-	-
Other reserves		122,576	91,806	-	-
		<u>1,248,586</u>	<u>1,026,672</u>	<u>257,191</u>	<u>257,441</u>
Non-controlling interests		267,871	197,976	-	-
TOTAL EQUITY		<u>1,516,457</u>	<u>1,224,648</u>	<u>257,191</u>	<u>257,441</u>
LIABILITIES					
NON-CURRENT LIABILITIES					
Loans from non-controlling interest	14	450,000	625,000	-	-
Bank borrowings	14	420,000	480,000	-	-
Lease liabilities		3,911	4,407	-	-
		<u>873,911</u>	<u>1,109,407</u>	<u>-</u>	<u>-</u>
CURRENT LIABILITIES					
Loan from non-controlling interests	14	175,000	80,000	-	-
Bank borrowings	14	60,000	51,250	-	-
Lease liabilities		497	373	-	-
Trade and other payables	15	169,833	142,032	2,165	1,981
Amounts owing to affiliated companies	15	151,819	6,948	-	-
Current tax payable		13,518	41,124	-	-
		<u>570,667</u>	<u>321,727</u>	<u>2,165</u>	<u>1,981</u>
TOTAL EQUITY AND LIABILITIES		<u>2,961,035</u>	<u>2,655,782</u>	<u>259,356</u>	<u>259,422</u>

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY - GROUP

	Share capital RMB'000	Retained earnings 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			
1 January 2021 to 31 December 2021										
Balance as at 1 January 2021	316,125	334,224	34,517	250,000	91,009	797	91,806	1,026,672	197,976	1,224,648
Total comprehensive income for the year	-	237,423	-	-	-	-	-	237,423	69,895	307,318
Dividend paid for the year	-	(15,509)	-	-	-	-	-	(15,509)	-	(15,509)
Transfer to statutory common reserve	-	(30,770)	-	-	30,770	-	30,770	-	-	-
Balance as at 31 December 2021	316,125	525,368	34,517	250,000	121,779	797	122,576	1,248,586	267,871	1,516,457

	Share capital RMB'000	Retained earnings 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			
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	157,161	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
Total comprehensive income for the year	-	158,552	34,517	-	-	-	-	193,069	40,816	233,885
Transfer to statutory common reserve	-	(16,683)	-	-	16,683	-	16,683	-	-	-
Balance as at 31 December 2020	316,125	334,224	34,517	250,000	91,009	797	91,806	1,026,672	197,976	1,224,648

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

1 January 2021 to 31 December 2021	Share capital RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance as at 1 January 2021	316,125	(58,684)	257,441
Total comprehensive income for the year	-	15,259	15,259
Dividend paid	-	(15,509)	(15,509)
Balance as at 31 December 2021	<u>316,125</u>	<u>(58,934)</u>	<u>257,191</u>

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group	
	12 months ended 31 December 2021 RMB'000	2020 RMB'000
Cash flows from operating activities		
Profit for the period	414,151	252,058
Adjustments for:-		
Depreciation of property, plant and equipment	243,816	111,844
Depreciation of right-of-use assets	425	425
Amortisation of land use rights	1,089	1,083
Loss on disposal of property, plant and equipment	20	37
Property, plant and equipment written off	88	1,883
Interest expense	49,128	38,407
Interest income	(5,907)	(3,240)
Operating profit before working capital changes	702,810	402,497
Changes in working capital:		
Change in inventories	(112,094)	(53,951)
Change in amount owing by/(to) affiliated companies	138,105	7,191
Change in operating receivables	(14,487)	5,352
Change in operating payables	27,801	44,603
Cash generated from operations	742,135	405,692
Income tax paid	(134,439)	(51,848)
Net cash generated from operating activities	607,696	353,844
Cash flows from investing activities		
Acquisition of property, plant and equipment	(66,556)	(383,180)
Proceeds from sales of property, plant and equipment	146	508
Acquisition of land use rights	(354)	-
Change in amount owing to non-controlling interest	-	137,757
Interest paid	-	(17,617)
Interest received	5,907	3,240
Net cash used in investing activities	(60,857)	(259,292)
Cash flows from financing activity		
Dividend paid	(15,509)	-
Repayment of loan to non-controlling interests	(80,000)	(145,000)
Payment of principal portion of lease liabilities	(372)	(357)
Proceeds from bank borrowings	-	500,000
Repayment of bank borrowings	(51,250)	(125,000)
Interest paid	(49,128)	(38,407)
Net cash (used in)/from financing activities	(196,259)	191,236
Net increase in cash and cash equivalents	350,580	285,788
Cash and cash equivalents at beginning of year	352,035	66,247
Cash and cash equivalents at end of year	702,615	352,035
For the purpose of the consolidated statement of cash flows, the cash and cash equivalents comprise the following:		
Cash on hand	47	61
Bank balances	702,568	344,974
Fixed deposits placed with financial institutions	-	7,000
	702,615	352,035

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 three months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, “the Group”).

2. Basis of Preparation

The condensed interim financial statements for the three months ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. 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 period ended 30 September 2021.

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 2021.

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 is the 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 life. 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.

There were no significant changes in critical judgements, estimates and assumptions as compared to the consolidated financial statements as at and for the year ended 31 December 2021.

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 is 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 (Cont'd)

4.1. Reportable segments

	The Group 3 months ended 31 December 2021		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
Revenue			
External customers	1,295,749	74,676	1,370,425
Inter-segment sales	432,818	8	432,826
Total revenue	<u>1,728,567</u>	<u>74,684</u>	<u>1,803,251</u>
Segment assets	<u>2,210,937</u>	<u>26,435</u>	<u>2,237,372</u>
Segment liabilities	<u>23,664</u>	<u>17,426</u>	<u>41,090</u>
Results			
Segment results	<u>50,046</u>	<u>7,429</u>	<u>57,475</u>
Unallocated expenses			
Unallocated corporate expenses			(2,988)
Profit from operations			<u>54,487</u>
Finance income			1,750
Finance cost			<u>(13,301)</u>
Profit before tax			42,936
Tax expense			<u>(13,513)</u>
Profit after tax			<u>29,423</u>
Segments assets for reportable segments			2,237,372
Other assets			
Unallocated			
Amounts owing by affiliated companies			9,308
Cash and cash equivalents			702,615
Other receivables			1,395
Goodwill on consolidation			<u>10,345</u>
			<u>2,961,035</u>
Segments liabilities for reportable segments			41,090
Other liabilities			
Unallocated			
Other payables			133,151
Amounts owing to affiliated companies			151,819
Bank borrowings			480,000
Loan from non-controlling interest			625,000
Current tax payable			<u>13,518</u>
			<u>1,444,578</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 2020		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
Revenue			
External customers	886,163	64,709	950,872
Inter-segment sales	156,949	47	156,996
Total revenue	<u>1,043,112</u>	<u>64,756</u>	<u>1,107,868</u>
Segment assets	<u>2,555,891</u>	<u>84,236</u>	<u>2,640,127</u>
Segment liabilities	<u>40,719</u>	<u>19,396</u>	<u>60,115</u>
Results			
Segment results	<u>146,019</u>	<u>10,471</u>	<u>156,490</u>
Unallocated expenses			
Unallocated corporate expenses			(12,593)
Profit from operations			143,897
Finance income			1,231
Finance cost			(8,818)
Profit before tax			136,309
Tax expense			(36,392)
Profit after tax			<u>99,918</u>
Segments assets for reportable segments			2,640,127
Other assets			
Unallocated			
Amounts owing by affiliated companies			2,542
Cash and cash equivalents			1,769
Other receivables			999
Goodwill on consolidation			10,345
			<u>2,655,782</u>
Segments liabilities for reportable segments			60,115
Other liabilities			
Unallocated			
Other payables			86,697
Amounts owing to affiliated companies			6,948
Bank borrowings			531,250
Loan from non-controlling interest			705,000
Current tax payable			41,124
			<u>1,431,134</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 12 months ended 31 December 2021		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
Revenue			
External customers	4,462,153	254,056	4,716,209
Inter-segment sales	1,383,783	40	1,383,823
Total revenue	<u>5,845,936</u>	<u>254,096</u>	<u>6,100,032</u>
Segment assets	<u>2,210,937</u>	<u>26,435</u>	<u>2,237,372</u>
Segment liabilities	<u>23,664</u>	<u>17,426</u>	<u>41,090</u>
Results			
Segment results	<u>446,190</u>	<u>28,400</u>	<u>474,590</u>
Unallocated expenses			
Unallocated corporate expenses			(17,218)
Profit from operations			<u>457,372</u>
Finance income			5,907
Finance cost			(49,128)
Profit before tax			<u>414,151</u>
Tax expense			(106,833)
Profit after tax			<u>307,318</u>
Segments assets for reportable segments			2,237,372
Other assets			
Unallocated			
Amounts owing by affiliated companies			9,308
Cash and cash equivalents			702,615
Other receivables			1,395
Goodwill on consolidation			10,345
			<u>2,961,035</u>
Segments liabilities for reportable segments			41,090
Other liabilities			
Unallocated			
Other payables			133,151
Amounts owing to affiliated companies			151,819
Bank borrowings			480,000
Loan from non-controlling interest			625,000
Current tax payable			13,518
			<u>1,444,578</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 12 months ended 31 December 2020		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
Revenue			
External customers	2,969,260	213,078	3,182,338
Inter-segment sales	569,607	53	569,660
Total revenue	<u>3,538,867</u>	<u>213,131</u>	<u>3,751,998</u>
Segment assets	<u>2,555,891</u>	<u>84,236</u>	<u>2,640,127</u>
Segment liabilities	<u>40,719</u>	<u>19,396</u>	<u>60,115</u>
Results			
Segment results	<u>293,034</u>	<u>21,014</u>	<u>314,048</u>
Unallocated expenses			
Unallocated corporate expenses			(26,823)
Profit from operations			287,225
Finance income			3,240
Finance cost			(38,407)
Profit before tax			252,058
Tax expense			(67,484)
Profit after tax			<u>185,574</u>
Segments assets for reportable segments			2,640,127
Other assets			
Unallocated			
Amounts owing by affiliated companies			2,542
Cash and cash equivalents			1,769
Other receivables			999
Goodwill on consolidation			10,345
			<u>2,655,782</u>
Segments liabilities for reportable segments			60,115
Other liabilities			
Unallocated			
Other payables			86,697
Amounts owing to affiliated companies			6,948
Bank borrowings			531,250
Loan from non-controlling interest			705,000
Current tax payable			41,124
			<u>1,431,134</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.

	The Group 3 months ended 31 December 2021		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
People's Republic of China			
Liquefied petroleum gas	154,587	-	154,587
Polypropylene	73,957	-	73,957
Premium grade polypropylene	405,298	-	405,298
Methyl Tert-Butyl Ether ("MTBE")	545,324	-	545,324
Hydrogen	57,802	-	57,802
Isobutylene	50,902	-	50,902
Other Gas	7,879	-	7,879
Transport and logistic services	-	74,676	74,676
	1,295,749	74,676	1,370,425

	The Group 3 months ended 31 December 2020		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
People's Republic of China			
Liquefied petroleum gas	105,867	-	105,867
Propylene	101,761	-	101,761
Polypropylene	80,297	-	80,297
Methyl Tert-Butyl Ether ("MTBE")	330,256	-	330,256
Polypropylene II	172,966	-	172,966
Hydrogen	56,199	-	56,199
Isobutylene	34,544	-	34,544
Other Gas	4,303	-	4,303
Transport and logistic services	-	64,680	64,680
	886,193	64,680	950,873

	The Group 12 months ended 31 December 2021		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
People's Republic of China			
Liquefied petroleum gas	547,439	-	547,439
Propylene	82,883	-	82,883
Polypropylene	300,024	-	300,024
Premium grade polypropylene	1,161,704	-	1,161,704
Methyl Tert-Butyl Ether ("MTBE")	1,843,060	-	1,843,060
Propylene II	124,971	-	124,971
Hydrogen	209,609	-	209,609
Isobutylene	166,649	-	166,649
Other Gas	25,814	-	25,814
Transport and logistic services	-	254,056	254,056
	4,462,153	254,056	4,716,209

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

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	
	3 months ended 31 December 2021 RMB'000	3 months ended 31 December 2020 RMB'000
Current income tax expense		
- Profit for the financial period	12,447	32,130
- Under provision in prior financial periods	1,066	4,262
	13,513	36,392

	The Group	
	12 months ended 31 December 2021 RMB'000	12 months ended 31 December 2020 RMB'000
Current income tax expense		
- Profit for the financial period	104,864	63,222
- Under provision in prior years	1,969	4,262
	106,833	67,484

7. Property, plant and equipment

During the three months ended 31 December 2021, the Group acquired assets amounting to RMB13,814,000 (31 December 2020: RMB 14,146,000) and disposed of assets with net carrying value amounting to RMB 71,000 (31 December 2020: RMB 545,000).

8. Goodwill arising on consolidation

	The Group	
	31 December 2021 RMB'000	31 December 2020 RMB'000
Cost and carrying amount		
Beginning and end of year	10,345	10,345

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 2021 RMB'000	31 December 2020 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
	10,345	10,345

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

8. Goodwill arising on consolidation (Cont'd)

8.1. Goodwill impairment (Cont'd)

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% (2020: 3%). These cash flows were discounted using a pre-tax discount rate of 10% (2020: 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.

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 2021 RMB'000	31 December 2020 RMB'000
Equity security (unquoted)		
- Dongming Qianhai Reli Co., Ltd. (东明前海热力有限公司)		
Beginning of period	79,761	30,450
Fair value gains recognised in other comprehensive income	-	49,311
End of year	<u>79,761</u>	<u>79,761</u>

Represents 18% of equity interest in Dongming Qianhai Reli Co., Ltd. The Group has elected to measure these 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
31 December 2021	
Financial assets, at FVOCI	<u>79,761</u>
31 December 2020	
Financial assets, at FVOCI	<u>79,761</u>

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

10. Inventories

	The Group		The Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RMB'000	RMB'000	RMB'000	RMB'000
At cost				
Raw materials	136,165	78,938	-	-
Finished goods	122,646	67,779	-	-
	<u>258,811</u>	<u>146,717</u>	-	-

11. Trade and other receivables

	The Group		The Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables				
– Non-related parties	46,026	1,787	-	-
Other receivables				
– Non-related parties	10,010	10,266	-	-
Accrued revenue	-	5,970	-	-
VAT receivable	-	21,885	-	-
Advances made to staff	1,395	858	-	-
Refundable deposits	-	141	-	-
	<u>57,431</u>	<u>40,907</u>	-	-

	The Group		The Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RMB'000	RMB'000	RMB'000	RMB'000
Amount owing by a subsidiary corporation				
Loans to a subsidiary corporation	-	-	7,487	7,612

	The Group		The Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RMB'000	RMB'000	RMB'000	RMB'000
Amount owing by affiliated companies	9,308	2,542	-	-

12. Prepayments

	The Group		The Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments				
Raw materials	439	-	-	-
Others	2,544	5,020	-	-
	<u>2,983</u>	<u>5,020</u>	-	-

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

13. Share capital

	The Group and the Company			
	31 December 2021		31 December 2020	
	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 2021 RMB'000	31 December 2020 RMB'000	31 December 2021 RMB'000	31 December 2020 RMB'000
Amount repayable within one year or on demand				
- Secured	60,000 ^(a)	51,250 ^{(a),(b)}	-	-
- Unsecured	175,000 ^(c)	80,000 ^(c)	-	-
Amount repayable after one year				
- Secured	420,000 ^(a)	480,000 ^(a)	-	-
- Unsecured	450,000 ^(c)	625,000 ^(c)	-	-

(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). Full settlement is scheduled by 2 January 2027;

(b) 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). This loan has been fully discharged in 1Q21;

(c) 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 2021 RMB'000	31 December 2020 RMB'000	31 December 2021 RMB'000	31 December 2020 RMB'000
Trade payables				
– Non-related parties	36,682	55,335	-	-
Other payables				
– Non-related parties	52,522	45,152	2,165	123
Other payables – staff	409	347	-	-
Accruals	39,130	9,272	-	1,858
VAT payables	13,847	16,832	-	-
Other governmental tax payables	3,486	2,695	-	-
Contract liabilities – advance collection from customers	23,757	12,399	-	-
	<u>169,833</u>	<u>142,032</u>	<u>2,165</u>	<u>1,981</u>

	The Group		The Company	
	31 December 2021 RMB'000	31 December 2020 RMB'000	31 December 2021 RMB'000	31 December 2020 RMB'000
Amount owing to affiliated companies				
– Trade	1,819	6,018	-	-
– Non-trade	150,000	930	-	-
	<u>151,819</u>	<u>6,948</u>	<u>-</u>	<u>-</u>

16. Dividends

	The Group	
	31 December 2021 RMB'000	31 December 2020 RMB'000
Ordinary dividend paid:		
- Final tax-exempt (one-tier) dividend paid in respect of previous financial year of S\$ 0.005 (equivalent to RMB 0.0242) [2020: S\$ Nil (equivalent to RMB Nil)] per share		
	<u>15,509</u>	<u>-</u>

17. Net Asset Value

	The Group		The Company	
	31 December 2021 RMB'000	31 December 2020 RMB'000	31 December 2021 RMB'000	31 December 2020 RMB'000
Net asset value per ordinary share	<u>1.95</u>	<u>1.60</u>	<u>0.40</u>	<u>0.40</u>

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

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 2021 and 31 December 2020.

	Note	The Group		The Company	
		31 December 2021 RMB'000	31 December 2020 RMB'000	31 December 2021 RMB'000	31 December 2020 RMB'000
Financial Assets					
- At FVOCI	9	79,761	79,761	-	-
- At amortised cost		767,960	372,741	9,315	9,381
		<u>847,721</u>	<u>452,502</u>	<u>9,315</u>	<u>9,381</u>
Financial Liabilities					
- At amortised cost		1,389,969	1,358,084	2,165	1,981

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 2021 RMB'000	31 December 2020 RMB'000
Sales to affiliated companies		
- 山东东明石化集团有限公司	27,380	59,219
- 东明石油经销有限公司	52,264	3,808
- 山东润泽化工有限公司	-	17
- 山东东明梨树化学有限公司	381,716	247,058
- 东明中油燃料石化有限公司	27,449	-
- 山东润泽化工有限公司	448,161	210,081
- 东明万海氯碱化工有限公司	14,360	-
Purchases from affiliated companies		
- 东明石油经销有限公司	-	795
- 山东润泽化工有限公司	46,674	161,626
- 东明中油燃料石化有限公司	2,365,514	1,641,617
- 山东东明石化集团有限公司	43,763	12,189
- 山东东明梨树化学有限公司	203,500	151,349
- 山东炼化能源集团有限公司	9,546	-
- 东明润明油品销售有限公司	9,333	-
Interest expenses on loan charged by affiliated company		
- 山东东明石化集团有限公司	32,407	33,298
Other individually immaterial transactions	20,711	22,855

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

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 2021 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 three-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of Performance of the Group

For the twelve months period ended 31 December 2021:

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

4Q21	3 months ended		3 months ended		+/(-)
	31 December 2021		31 December 2020		
Analysis of Revenue	RMB'000	%	RMB'000	%	%
Processed LPG - Total	402,800	29.4%	261,577	27.5%	54.0%
- Inter-company*	(248,213)	-18.1%	(155,710)	-16.3%	59.4%
Propylene	-	-	101,761	10.7%	-100.0%
Polypropylene	73,957	5.4%	80,297	8.4%	-7.9%
Premium grade polypropylene #					
- Total	412,441	30.1%	-	-	NM
- Inter-company***	(7,143)	-0.5%	-	-	NM
MTBE	545,324	39.8%	330,256	34.7%	65.61%
Propylene II - Total	177,462	12.9%	172,966	18.2%	2.6%
- Inter-company**	(177,462)	-12.9%	-	-	NM
Hydrogen	57,802	4.2%	56,199	5.9%	2.9%
Isobutylene	50,902	3.7%	34,544	3.6%	47.4%
Other Gas	7,879	0.6%	4,303	0.5%	83.1%
Logistic & transport related services	74,676	5.4%	64,680	6.8%	15.5%
TOTAL	1,370,425	100.0%	950,873	100.0%	44.1%

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)

Revenue (Cont'd)

Full year	12 months ended		12 months ended		+ / (-)
	31 December 2021		30 December 2020		
Analysis of Revenue	RMB'000	%	RMB'000	%	%
Processed LPG - Total	1,383,841	29.3%	924,146	29.0%	49.7%
- Inter-company*	(836,402)	-17.7%	(568,395)	-17.8%	47.2%
Propylene	82,883	1.8%	335,140	10.5%	-75.3%
Polypropylene	300,024	6.4%	280,012	8.8%	7.1%
Premium grade polypropylene #					
- Total	1,168,847	24.8%	-	-	NM
- Inter-company***	(7,143)	-0.2%	-	-	NM
MTBE	1,843,060	39.1%	1,105,863	34.8%	66.7%
Propylene II - Total	665,210	14.1%	560,537	17.6%	18.7%
- Inter-company**	(540,239)	-11.4%	-	-	NM
Hydrogen	209,609	4.4%	189,049	5.9%	10.9%
Isobutylene	166,649	3.5%	127,060	4.0%	31.2%
Other Gas	25,814	0.5%	15,848	0.5%	62.9%
Logistic & transport related services	254,056	5.4%	213,078	6.7%	19.2%
TOTAL	4,716,209	100.0%	3,182,338	100.0%	48.2%

* supplied of LPG to subsidiary Dongming Qianhai

** supplied of Propylene II to immediate holding company Dongming Hengchang

*** supplied of Premium grade polypropylene to subsidiary Dongming Qianhai

production from new polypropylene plant starting 1Q21

NM - Not Meaningful

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

(a) Processed LPG

LPG increases by 54.0% from RMB 261.6 million in 4Q20 to RMB 402.8 million in 4Q21, included the inter-company transactions. A total of 79,904 tonnes produced and sold during the periods, a decrease of 10.0% as compared to 4Q20. However, average selling prices ("ASP") and average cost of production ("ACP") during the period increase by 71.1% and 74.7% respectively as compared to 4Q20.

LPG increases by 49.7% from RMB 924.1 million in FY20 to RMB 1,384.8 million in FY21 (included inter-company transactions). Total of 326,029 tonnes produced and sold during FY21, an increase of 4.1% as compared to FY20. Both the ASP and ACP increase by 43.9% and 44.0% respectively for FY21 as compared to FY20.

(b) Propylene

Propylene is used to further process into polypropylene due to higher margin and only excess output will be sold to markets. During the 4Q21 reporting period, all propylene output were used to process to polypropylene and premier grade polypropylene.

Due to all propylene provided as production materials on the commencement of new production plant for premium grade polypropylene in 2Q21, the sale of propylene decreases by 75.3% from RMB 335.1 million in FY20 to RMB 82.9 million in FY21.

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)

Revenue (Cont'd)

(c) Polypropylene

Polypropylene decreases by 7.9% from RMB 80.3 million in 4Q20 to approximately RMB 73.9 million in 4Q21. Production output by decreases by 12.8% to 9,757 tonnes whereas both ASP and ACP during the period increase by 5.5% and 10.9% respectively as compared to 4Q20.

Polypropylene increases by 7.1% from RMB 280.0 million in FY20 to RMB 300.0 million in FY21. Output decreases by 5.5% to 40,282 tonnes but offset by both ASP and ACP in FY21 increase by 13.4% and 16.4% respectively as compared to FY20.

(d) Premium grade polypropylene

Premier grade polypropylene is produced by the newly commercialised polypropylene production plant from March 2021.

A total of 153,0990 tonnes were produced during the reporting financial year with approximately a total of RMB 1.2 billion generated.

(e) MTBE

MTBE increases by 65.1% from RMB 330.3 million in 4Q20 to approximately RMB 545.3 million in 4Q21. Thought production output decreases by 2.3% to 97,182 tonnes, both ASP and ACP during the period increase by 69.1% and 90.0% respectively as compared to 4Q20.

MTBE increases by 66.7% from RMB 1,105.9 million in FY20 to RMB 1,843.1 million in FY21. Output increases by 11.3% to 362,691 tonnes whereas both ASP and ACP in FY21 increase by 49.7% and 44.5% respectively as compared to FY20.

(f) Propylene II

Propylene II increases by 2.6% from RMB 173.0 million in 4Q20 to RMB 177.5 million in 4Q21, (included the inter-company transactions, sold to Dongming hengchang for further process into premier grade polypropylene). Production output decreases by 2.3% to 25,650 tonnes. ASP increase by 5.0% whereas ACP decreases during the period by 10.1% as compared to 4Q20.

Total revenue increases by 18.7% from RMB 560.5 million in FY20 to RMB 665.2 million in FY21, (included the inter-company transactions). During the FY21, output increases by 5.4% to 98,096 tonnes, ASP increases by 12.6% and ACP decreases by 5.7% as compared to FY20.

(g) Hydrogen

Hydrogen is mainly transacted with an affiliate party for its production utilities consumption. During the period, production output increases by 2.7% to 3,935 tonnes resulted the revenue to increase from RMB 56.2 million in 4Q20 to RMB 57.8 million in 4Q21.

For FY21, a total output of 14,271 tonnes was transacted with a revenue value of RMB 209.6 million.

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)

Revenue (Cont'd)

(h) Isobutylene

Isobutylene increases by 47.4% from RMB 34.5 million in 4Q20 to RMB 50.9 million in 4Q21. Though total production output decreases by 4.8% to 6,042 tonnes, both the ASP and ACP during the reporting period increase by 54.7% and 82.8% respectively as compared to 4Q20.

For FY21, although the total output decreases by 4.3% to 21,457 tonnes, total revenue increases by 31.2% from RMB 127.1 million to RMB 166.6 million mainly due to higher increase in ASP by 37.0% as compared to 33.0% in ACP.

(i) Logistics & transport related service

Revenue from this business increases by 15.5% from RMB 64.7 million in 4Q20 to RMB 74.7 million in 4Q21, mainly contributed from Dongming Changshun.

Total revenue for FY21 increases by 19.2% from RMB 213.1 million to RMB 254.1 million due to increase in transportation demand from the affiliated group companies.

Gross profit

Gross profit decrease from RMB 121.9 million in 4Q20 to approximately RMB 60.5 million in 4Q21, mainly due to higher production cost allocation within the periods. However, larger gross profits accumulated in past three quarters increase whole year profits from RMB 285.9 million in FY20 to RMB 478.7 million.

Other income and expenses

(a) Other income

Comprise mainly of bank interest earned on short-term deposits placed with financial institution amounted to approximately RMB 1.7 million and balances on other non-trade receivables in 4Q21. For FY21, a total of RMB 5.9 million earned from bank interest and balances on non-trade receivables.

(b) Administrative costs

Decreased from RMB 25.8 million in 4Q20 to RMB 9.9 million in 4Q21, mainly due to the decrease in the operating expenses in subsidiary Hengchang, the allocation of labour costs from administrative costs to cost of production.

(c) Finance costs

Interests incurred on the loan from non-controlling interest amounted to RMB 7.7 million and RMB 5.4 million on external bank borrowing in 4Q21. For FY2021, total of RMB 49.1 million interest paid to non-controlling interest and balance on bank loan.

(d) Taxation

Increase is in tandem to increase in the sale transaction activities.

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)

Net Profit

The Group made a profit of RMB 21.7 million in 4Q21 attributed to the equity holders of the company, as compared to profit of RMB 78.1 million in 4Q20.

For FY21, a total profit of RMB 237.4 million attributed to the equity holders of the company as compared to RMB 158.6 million in FY20.

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**

Decrease is mainly due to depreciation charge during the financial period.

(b) **Inventories**

Inventories comprise of approximately RMB 136.2 million of raw materials and equivalent value of RMB 122.6 million on finished petrochemical products, recorded at cost.

(c) **Prepayment**

Increase is mainly due to amount paid to suppliers for raw materials.

(d) **Non-controlling interest**

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

(e) **Bank Borrowings**

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 was 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 has been settled in February 2021;
- ii. Capital loan from bank to finance Dongming Hengchang's new polypropylene construction. The loan is carrying at interest rate of 4.41% per annum and repayment commences from June of 2021. Total of RMB 20.0 million has been paid during the financial year.

(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 in Dongming Qianhai since acquisition. Loan is unsecured, bearing interest at 4.75% per annum with scheduled quarterly repayments till April 2025. There was a total repayment of RMB 80.0 million made in FY21.

OTHER INFORMATION (CONT'D)

2. Review of Performance of the Group (Cont'd)

Condensed Interim Consolidated Statements of Financial Positions (Cont'd)

Highlights on changes in Condensed Interim Consolidated Statements of Financial Positions items of the Group are as follow; - (Cont'd)

Condensed Interim Consolidated Statement of Cash Flow

As of 31 December 2021, the group generated RMB 607.7 million net cash from operating, offset RMB 60.9 million and RMB 196.3 million net cash used in both investing and financing activities, respectively. As a result, the Group's cash and cash equivalent amounted to RMB 702.6 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 2021.

- 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 2021	31 December 2020
Number of issued shares (excluding treasury shares)	640,000,000	640,000,000
Number of treasury shares held	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 31 December	
	2021	2020
Profit/(loss) per share for the period based on net profit attributable to owners of the parent company		
(a) Based on basic number of ordinary shares on issue	3.39	12.21
No. of shares in issue (weighted average)	640,000,000	640,000,000
(b) On a fully diluted basis	3.39	12.21
No. of shares in issue (weighted average)	640,000,000	640,000,000

	12 months ended 31 December	
	2021	2020
Profit/(loss) per share for the period based on net profit attributable to owners of the parent company		
(a) Based on basic number of ordinary shares on issue	37.10	24.77
No. of shares in issue (weighted average)	640,000,000	640,000,000
(b) On a fully diluted basis	37.10	24.77
No. of shares in issue (weighted average)	640,000,000	640,000,000

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.**

Although there is an increase in Covid-19 cases in China, many provinces strive to achieve a stable development this year. Provinces such as Shandong will gain a GDP growth of 5.5 percent in 2022, which economic analysts forecasted that stable economic growth targets will help the fight against the pandemic.

The Group remains positive on the long-term demand of its petrochemical products as those products are needed across a wide range of industries. The Company's products such as polypropylene and premium grade polypropylene are used in the production of food packaging, healthcare, clothing, automotive interior industries. According to IHS Markit report, the global demand growth for polypropylene is expected to continue for the next 4-5 years with Asia remaining the key driver.

The Group will continue to be prudent and manage its cash flow carefully while optimising production.

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): Tax Rate: 0.6 cent per ordinary share Tax Exempt (1-tier)

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)
<p>For period from October 2021 to December 2021;-</p> <p>Dongming WanHaiLuiJiang Petrochemical Co., Ltd (东明万海氯碱化工有限公司)</p> <ul style="list-style-type: none"> - Logistics & transport related services provided to 		RMB 3,165,384
<p>For period from February 2021 to December 2021;-</p> <p>Dongming Qianhai Reli Co., Ltd. (东明前海热力有限公司) #</p> <ul style="list-style-type: none"> - Purchase of utilities - Contra on purchase of utilities 	RMB 79,226,858	RMB 403,334,610
<p>For period from August 2021 to December 2021;-</p> <p>Jiangsu Xinghai Petrochem Co., Ltd (江苏新海化工有限公司) #</p> <ul style="list-style-type: none"> - Purchase of propylene 	RMB 68,304,751	
<p>For period from April 2021 to December 2021;-</p> <p>Jiangsu Renhai Oil Products Distribution Co., Ltd (江苏润海油品销售有限公司) #</p> <ul style="list-style-type: none"> - Purchase of propylene 	RMB 31,184,791	

Note :

The Company had made an announcement on 28 February 2022 in respect of several interested persons transactions ("IPT Announcement") that it had entered into in 2021 with Dongming Qianhai Reli Co. Ltd (东明前海热力有限公司), Jiangsu Xinghai Petrochem Co., Ltd (江苏新海化工有限公司) and Jiangsu Renhai Oil Products Distribution Co., Ltd (江苏润海油品销售有限公司) which are not covered under the existing IPT mandate approved by the shareholders, and are of a revenue and trading nature ("Past Recurrent IPTs"). 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 with the above-mentioned companies. 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 IPT Announcement.

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	61	Father of Li Zhi, non-executive Director of the Company.	Non-Executive Chairman Since 2006, Substantial shareholder of the Company.	From non-executive Chairman to Executive Chairman from April 2021.
Li Zhi	36	Son of Mr Li Xiangping, the 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

Li Xiang Ping

Executive Chairman and CEO

Singapore
1 March 2022