
OUHUA ENERGY HOLDINGS LIMITED
(Company registration number: 37791)
AND ITS SUBSIDIARIES

Condensed Financial Statements

For the six months and full year ended 31 December 2022

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OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	<u>Note</u>	<u>Group</u> <u>Six months ended</u>			<u>Group</u> <u>Full year ended</u>		
		31 Dec 2022	31 Dec 2021	% change	31 Dec 2022	31 Dec 2021	% change
		RMB'000	RMB'000		RMB'000	RMB'000	
Revenue	4	2,290,416	1,906,600	20.1	4,644,701	3,563,535	30.3
Cost of sales		<u>(2,180,517)</u>	<u>(1,818,101)</u>	19.9	<u>(4,459,657)</u>	<u>(3,432,278)</u>	29.9
Gross profit		109,899	88,499	24.2	185,044	131,257	41.0
Other operating income	5	3,545	4,824	(26.5)	8,512	13,868	(38.6)
Selling and distribution expenses		(33,123)	(37,226)	(11.0)	(70,974)	(53,558)	32.5
Administrative expenses		(13,086)	(11,579)	13.0	(20,049)	(18,012)	11.3
Other operating expenses	6	(1,954)	(3,519)	(44.5)	(20,683)	(12,453)	66.1
Profit from operations before interest		<u>65,281</u>	<u>41,000</u>	59.2	<u>81,850</u>	<u>61,102</u>	34.0
Finance costs	7	<u>(9,130)</u>	<u>(5,093)</u>	79.3	<u>(15,179)</u>	<u>(11,790)</u>	28.7
Profit before income tax	8	56,151	35,907	56.4	66,671	49,312	35.2
Income tax	10	<u>(13,671)</u>	<u>(12,718)</u>	7.5	<u>(18,166)</u>	<u>(16,276)</u>	11.6
Net profit for the financial period/year		<u><u>42,479</u></u>	<u><u>23,189</u></u>	83.2	<u><u>48,505</u></u>	<u><u>33,036</u></u>	46.8
Other comprehensive income							
Foreign currency translation differences		<u>(1,325)</u>	<u>395</u>	N.M.	<u>(77)</u>	<u>(52)</u>	48.0
Total comprehensive income for the financial period/year		<u><u>41,154</u></u>	<u><u>23,584</u></u>	74.5	<u><u>48,428</u></u>	<u><u>32,984</u></u>	46.8

“N.M.” – Not Meaningful

The accompanying notes form an integral part of the financial statements

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
Condensed Statements of Financial Position

	Note	Group		Company	
		As at 31 Dec 2022 RMB'000 (Unaudited)	As at 31 Dec 2021 RMB'000 (Audited)	As at 31 Dec 2022 RMB'000 (Unaudited)	As at 31 Dec 2021 RMB'000 (Audited)
Non-current assets					
Property, plant and equipment	13	155,633	120,768		2
Investments in subsidiaries	14	-	-	284,277	156,277
Total non-current assets		155,633	120,768	284,277	156,279
Current assets					
Inventories	15	104,950	213,536	-	-
Trade and other receivables	16	305,862	103,866	-	-
Due from a related party	17	26,147	66,868	68	68
Derivative financial assets	18	6,260	156	-	-
Margin deposits	19	-	387	-	-
Pledged fixed deposits	20	81,986	7,912	-	-
Cash and cash equivalents	21	131,848	143,853	6,457	11,535
Total current assets		657,053	536,578	6,525	11,603
Total assets		812,686	657,346	290,803	167,882
Current liabilities					
Trade and other payables	22	61,085	171,461	5,006	3,675
Due to related parties	17	9,101	8,040	3,763	4,151
Due to a subsidiary		-	-	37,992	36,511
Due to holding company	23	1,741	1,593	1,741	1,593
Bank borrowings	24	393,951	202,080	-	-
Lease liabilities-current	25	5,294	5,874	-	-
Income tax payable		23,003	17,753	-	-
Total current liabilities		494,175	406,801	48,502	45,930
Non-current liabilities					
Deferred tax liabilities	26	2,186	2,326	-	-
Lease liabilities-non-current	25	27,683	8,005	-	-
Total non-current liabilities		29,869	10,331	-	-
Total liabilities		524,044	417,132	48,502	45,930
Net assets		288,642	240,214	242,300	121,952
Issued capital and reserves attributable to owners of the Company					
Share capital	27	149,488	149,488	149,488	149,488
Share premium	28	130,298	130,298	130,298	130,298
Statutory reserve	29	18,730	15,662	-	-
Foreign currency translation reserve	30	3,662	3,739	(40,719)	6,488
Accumulated losses		(13,536)	(58,973)	3,233	(164,322)
Total equity		288,642	240,214	242,300	121,952

The accompanying notes form an integral part of the financial statements

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
Condensed Consolidated Statement of Changes in Equity

<u>Group</u>	<u>Share capital</u> RMB'000	<u>Share premium</u> RMB'000	<u>Statutory reserve</u> RMB'000	<u>Foreign exchange translation reserve</u> RMB'000	<u>Accumulated losses</u> RMB'000	<u>Total equity</u> RMB'000
Balance at 1 January 2021	149,488	130,298	15,662	3,791	(92,009)	207,230
Profit for the financial year	-	-	-	-	33,036	33,036
<i>Other comprehensive income:</i>						
Exchange differences on translating foreign operations	-	-	-	(52)	-	(52)
Total comprehensive (loss)/ income for the financial year	-	-	-	(52)	33,036	32,984
the financial period						
Balance at 31 Dec 2021	<u>149,488</u>	<u>130,298</u>	<u>15,662</u>	<u>3,739</u>	<u>(58,973)</u>	<u>240,214</u>
Balance at 1 January 2022	149,488	130,298	15,662	3,739	(58,973)	240,214
Profit for the financial year	-	-	-	-	48,505	48,505
<i>Transfer to statutory reserve</i>			3,068		(3,068)	-
Exchange differences on translating foreign operations	-	-	-	(77)	-	(77)
Total comprehensive (loss)/income for the financial year	-	-	3,068	(77)	45,437	48,428
the financial year						
Balance at 31 Dec 2022	<u>149,488</u>	<u>130,298</u>	<u>18,730</u>	<u>3,662</u>	<u>(13,536)</u>	<u>288,642</u>

The accompanying notes form an integral part of the financial statements

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
Condensed Consolidated Statement of Cash Flows

	Note	12 months ended	
		31 Dec 2022	31 Dec 2021
		RMB'000	RMB'000
		(Unaudited)	(Audited)
Cash flows from operating activities			
Profit before income tax		66,671	49,312
Adjustments for:			
Depreciation of property, plant and equipment	13	21,415	28,402
Gain from modification of lease		(299)	
Impairment loss on financial assets, net	6	-	270
Interest income		(862)	(701)
Interest expense		15,179	11,790
Loss on disposal of PPE		128	267
Fair value gain/loss on derivatives	5	(1,446)	2,385
Operating profit before working capital changes		<u>100,786</u>	<u>91,725</u>
Working capital changes:			
Inventories		108,586	(177,566)
Trade and other receivables		(201,996)	80,806
Due from a related party		40,721	(3,931)
Margin deposit		(105,266)	1,216
Trade and Other payables		387	42,213
Cash used in operations		<u>(56,782)</u>	<u>34,463</u>
Interest income		862	701
Income tax paid		(18,166)	(1,752)
Net cash (used in)/generated from operating activities		<u>(74,086)</u>	<u>33,412</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	13	(31,913)	(14,865)
Purchase of derivatives		(4,658)	-
Net cash flows used in investing activities		<u>(36,571)</u>	<u>(14,865)</u>
Cash flows from financing activities			
Increase in pledged fixed deposits		(74,074)	(4,988)
Due to related parties		1,061	488
Proceeds from bank borrowings		829,259	720,423
Repayment of lease liabilities		(6,969)	(10,614)
Repayment of bank borrowings		(650,696)	(781,254)
Net cash generated from/(used in) financing activities		<u>98,581</u>	<u>(75,945)</u>
Effect of foreign exchange rate change in cash and cash equivalent		71	(203)
Net decrease in cash and cash equivalents		<u>(12,076)</u>	<u>(57,398)</u>
Cash and cash equivalents at beginning of the financial year		<u>143,853</u>	<u>201,454</u>
Cash and cash equivalents at end of the financial year		<u><u>131,848</u></u>	<u><u>143,853</u></u>

The accompanying notes form an integral part of the financial statements

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Ouhua Energy Holdings Limited (“the Company”) is a company incorporated in Bermuda under the Bermuda Companies Act as an exempted company with limited liability. The Company’s registered office is located at 5th Floor, Victoria Place, 31 Victoria Street, Hamilton HM10, Bermuda. The principal place of business of the Group is located at Long Wan Suo Cheng Town, Raoping County, Guangdong Province, People’s Republic of China (“PRC”). The Company is listed on the mainboard of Singapore Exchange Securities Trading Limited.

The principal activity of the Company is that of investment holding.

The Company’s holding company is High Tree Worldwide Ltd., a company incorporated in British Virgin Islands and is wholly-owned by Liang Guo Zhan, Executive Chairman of the Group.

The particulars of the subsidiaries are set out in Note 14 to the financial statement.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”), including related Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The financial information does not contain all the information required for full annual financial statements. The financial statements of the Group and the statement of financial position of the Company are presented in Chinese Renminbi (“RMB”), which is the presentation currency of the Group. The functional currency of the Company is United States dollar. As the Group mainly operates in PRC, RMB is used as the presentation currency of the Group and the Company. All financial information presented in RMB has been recorded to the nearest thousand (RMB’000) unless stated otherwise.

The preparation of financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the Group’s application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

2.2 Use of judgements and estimates

In preparing the condensed 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.

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of significant accounting policies

2.3 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRSs, except for the adoption of new and amended standards as set out below.

New standards and amendments adopted by the Group

During the current financial year, the Group and the Company have adopted the following amendments to IFRSs which took effect from financial year beginning 1 January 2022:

- Amendments to IFRS 16 Covid-19-Related Rent Concessions
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

The adoption of the above amendments to IFRS(s) is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the financial year ended 31 December 2022. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

3. Seasonal operations

The Group's businesses are affected significantly by seasonal or cyclical factors during the financial period.

4. Revenue

	Group	
	12 months ended 31 December	
	2022	2021
	RMB'000	RMB'000
Sale of goods		
- Liquefied petroleum gas ("LPG")	4,639,525	3,414,593
- Propane ("C3")	1,082	72,704
- Butane ("C4")	4,094	76,238
	4,644,701	3,563,535

The disaggregation of revenue from contracts with customers is as follows:

	LPG		C3		C4		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Geographical markets								
PRC	4,639,525	3,414,593	-	-	-	-	4,639,525	3,414,593
Asia Pacific	-	-	1,082	72,704	4,094	76,238	5,176	148,942
	4,639,525	3,414,593	1,082	72,704	4,094	76,238	4,644,701	3,563,535

* The disaggregation is based on the location of customers from which revenue was generated.

The Group has applied the practical expedient permitted under IFRS 15 for those performance obligations which are part of contracts that have an original expected duration of one year or less.

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. Revenue

Contract balances

The following table provides information about contract liabilities from contracts with customers.

	Group	
	12 months ended 31 Dec	
	2022	2021
	RMB'000	RMB'000
Contract liabilities (Note 22)	(43,059)	(46,932)

Significant changes in the contract liabilities balances during the period are as follows.

	Group	
	12 months ended 31 Dec	
	2022	2021
	RMB'000	RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the financial year	43,059	46,932
Increases due to cash received, excluding amounts recognized as revenue during the financial year	(46,932)	(58,585)

5. Other operating income

	Group	
	12 months ended 31 Dec	
	2022	2021
	RMB'000	RMB'000
Tug boat service	1,003	831
Interest income from fixed deposits	862	701
Warehouse rental income#	246	671
Subsidies from government*	446	1,060
Fair value gain arising from derivative financial instruments	-	2,116
Fair value gain arising from financial assets at FVTPL	1,446	-
Gain on disposal of derivative financial instruments	-	423
Vessel rental income	4,078	4,078
Foreign exchange gain	66	2,135
Gain from modification of lease	299	
Others	66	1,853
	<u>8,512</u>	<u>13,868</u>

*The subsidies from government related to monetary subsidies received from government agencies in PRC for work place safety, import activities and others.

On 6 July 2021, the Group was designated as one of the designated delivery warehouses for LPG by Dalian Commodity Exchange ("DCE"). Warehouse handling fee income pertains to the storage charges at DCE standardised rate.

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. Other operating expenses

	Group	
	12 months ended 31 Dec	
	2022	2021
	RMB'000	RMB'000
Bank charges	2,376	5,682
Depreciation of vessel (Note 13)	5,244	5,244
Donation	186	255
Charges of water and electricity	-	741
Loss on disposal of PPE	120	-
Fair value loss on financial assets at fair value through profit or loss	5,514	-
Foreign exchange loss	4,124	270
Loss on investment of derivatives	2,942	-
Others	177	260
	<u>20,683</u>	<u>12,453</u>

7. Finance costs

	Group	
	12 months ended 31 Dec	
	2022	2021
	RMB'000	RMB'000
Interest expenses on bank borrowings	13,308	10,560
Interest expenses on leases	1,871	1,230
	<u>15,179</u>	<u>11,790</u>

8. Profit before income tax expense

In addition to the charges and credits disclosed elsewhere in the financial statements, the above includes the following charges:

	Group	
	12 months ended 31 Dec	
	2022	2021
	RMB'000	RMB'000
Audit fees paid to auditors		
- Auditors of the Company	514	514
- Other auditors	293	266
Depreciation of property, plant and equipment (Note 13)	21,415	28,892
Employee benefit costs (Note 9)	18,308	12,096
Marine freight	56,537	37,736
Loss on disposal of property, plant and equipment	128	223
	<u>128</u>	<u>223</u>

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. Employee benefits costs

	Group	
	12 months ended 31 Dec	
	2022	2021
	RMB'000	RMB'000
Salaries, bonuses and allowances	15,109	9,621
Other staff benefits	1,524	1,064
Contribution to retirement benefits schemes	1,675	1,411
	<u>18,308</u>	<u>12,096</u>

Employee benefits costs included the amounts shown as Directors' remuneration in Note 30(b) to the financial statements.

10. Income tax expense

	Group	
	12 months ended 31 Dec	
	2022	2021
	RMB'000	RMB'000
Current tax		
Current financial year	<u>18,306</u>	<u>13,950</u>
Deferred tax expense (Note 24)		
Origination and reversal of temporary differences	<u>(140)</u>	<u>2,326</u>
	<u>18,166</u>	<u>16,276</u>
<u>Reconciliation of effective tax rate is as follows:</u>		
Profit before income tax expense	66,671	49,312
Tax calculated at applicable PRC tax rate of 25%	16,668	12,328
Tax effect of non-taxable items	1,638	4,213
Tax effect of non-deductible items	<u>(140)</u>	<u>(265)</u>
Income tax expense	<u>18,166</u>	<u>16,276</u>

The Company is incorporated in Bermuda and accordingly exempted from income in the country of incorporation.

Tax laws affecting a subsidiary

a. Foreign investment enterprises income tax rate

With effective from 1 January 2008, the new applicable Corporate Income Tax ("CIT") rate will be 25% for all PRC subsidiaries held by foreign investment.

b. Withholding tax on dividends

Under the PRC tax law, dividends received by foreign investors from their investment in Chinese enterprises in respect of profits earned since 1 January 2008 are subject to withholding tax at a rate of 10% unless reduced by a treaty. Pursuant to a tax arrangement between the PRC and Singapore, the investment holding companies established in Singapore are subject to a reduced withholding tax rate of 5% on dividends they received from their PRC subsidiaries subject to certain statutory criteria being met.

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. Earnings per share

The calculations for earnings per share of the Group are based on:

	Group	
	12 months ended 31 Dec	
	2022	2021
Profit attributed to equity holders (RM'000)	<u>48,505</u>	<u>33,036</u>
Weighted average number of ordinary shares ('000)	<u>383,288</u>	<u>383,288</u>
Basic and diluted earnings per share (RMB fen)	<u>12.65</u>	<u>8.62</u>

Basic earnings per share is calculated by dividing the Group's profit attributed to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year. Diluted earnings per share is calculated by dividing the Group's profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

There is no dilutive potential ordinary share at 31 December 2022 and 31 December 2021.

12. 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	
	<u>As at 31</u>	<u>As at 31</u>	<u>As at 31</u>	<u>As at 31</u>
	<u>December</u>	<u>December</u>	<u>December</u>	<u>December</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
NAV per share (RMB cents)	75.31	62.67	63.22	31.82

Net asset value per ordinary share is calculated using the Group's and the Company's net asset values, as at the end of the respective financial period divided by the number of shares in issue (excluding treasury shares) of 383,288,000 ordinary shares as at 31 December 2022 and 31 December 2021, respectively.

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. Property, plant and equipment

Group	Buildings and storage RMB'000	Vessel RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Right Of Use RMB'000	Total RMB'000
<u>Cost</u>									
At 1 January 2022	185,512	115,000	28,584	5,394	2,847	16,339	-	26,967	380,643
Additions	-	-	10,135	671	1,762	15,838	3,507	27,504	59,417
Disposal	-	-	-	(125)	(988)	-	-	(12,036)	(13,149)
At 31 December 2022	<u>185,512</u>	<u>115,000</u>	<u>38,719</u>	<u>5,940</u>	<u>3,621</u>	<u>32,177</u>	<u>3,507</u>	<u>42,435</u>	<u>426,911</u>

**Accumulated
depreciation**

At 1 January 2022	144,116	55,892	21,116	1,847	2,545	15,193	-	14,190	254,899
Charged for the financial year	848	5,244	7,453	488	634	1,378	-	5,370	21,415
Disposal	-	-	-	(112)	(873)	-	-	(9,027)	(10,012)
At 31 December 2022	<u>144,964</u>	<u>61,136</u>	<u>28,569</u>	<u>2,223</u>	<u>2,306</u>	<u>16,571</u>	<u>-</u>	<u>10,533</u>	<u>266,302</u>

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. Property, plant and equipment (Continued)

	Buildings and storage	Vessel	Plant and machinery	Motor vehicles	Office equipment	Leasehold improvements	Construction in progress	Right Of Use	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group Accumulated impairment losses									
At 1 January 2022	-	4,976	-	-	-	-	-	-	4,976
Charged for the financial year									
At 31 December 2022	-	4,976	-	-	-	-	-	-	4,976

Carrying amount									
At 31 December 2021	41,396	54,132	7,468	3,547	302	1,146	-	12,777	120,768
At 31 December 2022	40,548	48,888	10,150	3,717	1,315	15,606	3,507	31,902	155,633

During the current financial year, a review of the recoverable amount of its facilities and vessel is carried out, no further impairment loss is required.

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. Investments in subsidiaries

	Company	
	12 months ended 31 Dec	
	2022	2021
	RMB'000	RMB'000
Unquoted equity investment, at cost	221,417	221,417
Add: Reversal of allowance on a loan to a subsidiary (*)	62,860	-
Less: Allowance for impairment (#)	-	(65,140)
	<u>284,277</u>	<u>156,277</u>

Details of the subsidiaries are as follow:

Name of subsidiary/ (Principal place of business)	Registered capital	Effective equity held by the Group		Principal activities
		2022	2021	
Chaozhou Ouhua Energy Co., Ltd (PRC)	RMB221,416,000	100%	100%	Import, processing and wholesale of liquefied petroleum gas
Ouhua Energy (Singapore) Pte. Ltd. (Singapore)	S\$100	100%	100%	Dormant

*Ouhua Energy Holdings Limited ("The Company") carried out a review of the recoverable amounts for its loan amounting to RMB 62,860,000 in subsidiaries. The review of the recoverable amounts led to the reversal of the allowance of the loan which had been written down.

#. The Company carried out a review of the recoverable amounts for its investment in subsidiaries. The review of the recoverable amounts led to the reversal of an impairment loss of RMB 65,140,000 in the current financial year.

15. Inventories

	Group	
	As at 31 Dec 2022	As at 31 Dec 2021
	RMB'000	RMB'000
Raw materials	86,678	210,004
Finished goods	18,272	3,532
	<u>104,950</u>	<u>213,536</u>

Cost of inventories recognized in cost of sales amounted to approximately RMB 4,568,884,000 (2021: RMB 2,895,762,000) during the financial year.

Trade and other receivables

	Group	
	As at 31 Dec 2022	As at 31 Dec 2021
	RMB'000	RMB'000
Trade receivables – third parties	35,683	9,071
Less: Loss allowance	(1,169)	(1,169)
	<u>34,514</u>	<u>7,902</u>
Prepayments	402	374
Advances to suppliers	269,265	94,764
Others	1,856	1,194
Less: Loss allowance	(175)	(368)
	<u>305,862</u>	<u>103,866</u>

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. Trade and other receivables (Continued)

Trade receivables from third parties, arising from the Group's contract with its customers, are non-interest bearing and are generally on credit term of 14 days (2021: 10 days). They are recognised as their original invoice amounts which represents their fair values on initial recognition.

As at 31 December 2022	Aging of trade and other receivables					Total
	Current	1 to 30 days	31 – 60 days	61 – 90 days	More than 90 days	
Trade receivables – third parties	34,514	-	-	-	1,169	35,683
Less: loss allowance		-	-	-	(1,169)	(1,169)
Prepayments	402	-	-	-	-	402
Advances to suppliers	269,265	-	-	-	-	269,265
Value added tax receivables- net	-	-	-	-	-	-
Staff advances	-	-	-	-	-	-
Others	1,681	-	-	-	175	1,856
Allowance for impairment of other receivables	-	-	-	-	(175)	(175)
	305,862	0	0	0	0	305,862

The increase on trade receivables results from granting extended payment term to our customers in epidemic situation. The increase on advance to suppliers is to lock up commodity price and build up inventories in upcoming months.

Expected credit loss (ECL) assessment

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors, including their best estimate of the impact of COVID-19, specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries and the growth rates of the major industries in which its customers operate. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables As at 31 December 2022 is RMB 1,169,000 (2021: RMB 1,169,000).

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. Due from/to related parties

	Group		Company	
	As at 31 Dec 2022 RMB'000	As at 31 Dec 2021 RMB'000	As at 31 Dec 2022 RMB'000	As at 31 Dec 2021 RMB'000
Due from a related party				-
Trade	24,730	64,650	-	
Non-trade	1,417	2,218	68	68
	<u>26,147</u>	<u>66,868</u>	<u>68</u>	<u>68</u>
Due to a related party				
Non-trade	9,101	8,040	3,763	4,151
	<u>9,101</u>	<u>8,040</u>	<u>3,763</u>	<u>4,151</u>

The trade and non-trade amount due from/to related parties are unsecured, interest-free and are repayable on demand.

18. Derivative financial instruments

	Group	
	As at 31 Dec 2022 RMB'000	As at 31 Dec 2021 RMB'000
Derivatives contracts		
Commodity physical derivative instruments	-	156
Commodity paper derivative instruments	6,260	-
	<u>6,260</u>	<u>156</u>

The Group enters into commodity derivatives, in which it agrees to exchange the difference between the fixed and floating prices, calculated by reference to an agreed-upon principal quantity, with its counterparties.

As at 31 December 2022, the fair value of commodity derivatives is estimated at RMB 6,260,000 (2021: 156,000). The fair values of physical derivative instruments were determined based on price indices after adjusting for contract specific factors. The fair values of paper derivative instruments were determined based on closing quoted market prices on the last market day of the financial year.

19. Margin deposits

Margin deposits are placed with an established financial institution for commodity future contracts trading and are non-interest bearing.

The carrying amounts of margin deposits approximate their fair values.

20. Pledged fixed deposits

Fixed deposits at the end of the financial year have an average period of 3 months (2021: 3 months) from the end of the financial year.

Fixed deposits are pledged with financial institutions as security for banking facilities granted to the Group. The effective interest rate for those fixed deposits is at 0.30% (2021: 0.30%) per annum. The carrying amounts of pledged fixed deposits approximate their fair values.

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	As at 31 Dec 2022 RMB'000	As at 31 Dec 2021 RMB'000	As at 31 Dec 2022 RMB'000	As at 31 Dec 2021 RMB'000
Cash balances	1,451	228	-	-
Bank balances	130,397	143,625	6,457	11,535
	<u>131,848</u>	<u>143,853</u>	<u>6,457</u>	<u>11,535</u>

The carrying amounts of cash and cash equivalents approximate their fair values.

As at 31 Dec 2022, the Group has cash and cash equivalents placed with banks in the PRC amounting to RMB 125,322,000 (2021: RMB 132,318,000). The repatriation of the cash into Singapore is subject to the Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations in the PRC.

22. Trade and other payables

	<u>Group</u>	
	As at 31 Dec 2022 RMB'000	As at 31 De 2021 RMB'000
Trade payables	1,125	105,930
Accrued expenses	5,092	5,089
Interest payables	1,743	426
Contract liabilities	43,059	46,932
Due to directors	-	2,369
Deposit received	-	1,480
Others	10,066	9,235
Total trade and other payables	<u>61,085</u>	<u>171,461</u>

Trade payables are non-interest bearing and are normally settled on 7 days (2021: 30 days) terms while other payables have an average term of 10 days (2021: 10 days). The decrease in Trade payables results from seeking more favorable price with shorten payment term. .

Amounts due to directors are non-trade in nature, unsecured, interest-free and is repayable on demand.

Contract liabilities relate to advances from customers. A contract liability is recognised for the advances received from customers and is derecognised as and when the performance obligation is met.

Deposit received pertains to security deposit from a customer who is using the designated warehouse of the Group to trade on DCE.

23. Due to a subsidiary and holding company

Amount due to a subsidiary and holding company are non-trade in nature, unsecured, interest-free and are repayable on demand. The carrying amount of amount due to a subsidiary and holding company approximates their fair values.

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

24. Bank borrowings

	<u>Group</u>	
	<u>2022</u>	<u>2021</u>
	RMB'000	RMB'000
Trust receipts	163,951.00	42,079.62
Bank loan A	-	150,000.00
Bank loan B	-	10,000.00
Bank loan C	80,000.00	-
Bank loan D	84,750.00	-
Bank loan E	65,250.00	-
	<hr/>	<hr/>
	393,951	202,080
Less: Amount due for settlement within 12 months (shown under current liabilities)	-393,951	-202,080
	<hr/>	<hr/>
Amount due for settlement after 12 months (shown under non-current liabilities)	-	-
	<hr/> <hr/>	<hr/> <hr/>

The effective borrowing rates for trust receipts and bank loans range between 2.09% (2020: 4.00%) and 4.93% (2021: 6.00%) respectively.

The trust receipts and secured bank loan were secured by pledged fixed deposits (Note 18) and corporate guarantees from related parties and personal guarantee by a director.

- a) Bank loan A relates to Renminbi denominated bank loan that is secured by pledged fixed deposits (Note 20) and corporate guarantees from related parties and personal guarantee by a director. The effective interest rate of the bank loan at the reporting date is 4.15% per annum.
- b) Bank loan B relates to unsecured Renminbi denominated bank loan and is repayable in 4 tranches. Repayment commences on 21 December 2020 and in instalments with final instalment on 23 January 2022. The effective interest rate of the bank loan at the reporting date is 6% per annum.
- c) Bank loan C relates to secured Renminbi denominated bank loan secured by corporate guarantees from related parties and personal guarantee by a director. The loan term is 1 year and repayable in Feb 2023. The interest rate for the loan is 4.15%.
- d) Bank loan D relates to secured Renminbi denominated bank loan secured by corporate guarantees from related parties and personal guarantee by a director. The loan term is 1 year and repayable in Feb 2023. The interest rate for the loan is 4.15%.
- e) Bank loan E relates to secured Renminbi denominated bank loan secured by corporate guarantees from related parties and personal guarantee by a director. The loan term is 1 year and repayable in June 2023. The interest rate for the loan is 4.15%.

The carrying amounts of bank borrowings approximate their fair values.

25. The Group as a lessee

The Group leases office premises, land and vessel for 1 to 30 years.

The Group leases port terminals for 6 to 10 years. The Group is restricted from entering any sublease arrangement for these leases.

Extension options

The Group has several lease contracts with extension options exercisable by the Group up to 3 months before the end of the non-cancellable contract period. These extension options are exercisable by the Group and not by the lessors. The extension options are used by the Group to provide operation flexibility in terms of managing the assets used in the Group's operation.

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25(a) Right-of-use assets

The carrying amount of right-of-use assets by class of underlying asset classified within property, plant and equipment as follows:

<u>Group</u>	<u>Office premises and land</u> RMB'000	<u>Port terminals</u> RMB'000	<u>Vessel</u> RMB'000	<u>Total</u> RMB'000
At 1 January 2021	4,673	13,731	9,361	27,765
Additions	-	-	(5,071)	(5,071)
Depreciation	(1,278)	(4,351)	(4,290)	(9,919)
At 31 December 2021	3,395	9,380	-	12,775
Addition	-	27,504	-	27,504
Written off	-	(3,009)	-	(3,009)
Depreciation	(1,278)	(4,091)	-	(5,369)
At 31 December 2022	2,117	29,784	-	31,901

25(b) Lease liabilities

	<u>Group</u>	
	<u>As at 31</u> <u>Dec 2022</u> RMB'000	<u>As at 31</u> <u>Dec 2021</u> RMB'000
Lease liabilities- non-current	27,683	8,005
Lease liabilities – current	5,294	5,874
	<u>32,977</u>	<u>13,879</u>

25(c) Amounts recognised in profit or loss

	<u>Group</u>	
	<u>As at 31</u> <u>Dec 2022</u> RMB'000	<u>As at 31</u> <u>Dec 2021</u> RMB'000
Expense related to short-term leases	1,827	4,425
Interest on leases	1,871	1,229

26. Deferred tax liabilities

	<u>Group</u>	
	<u>As at 31</u> <u>Dec 2022</u> RMB'000	<u>As at 31</u> <u>Dec 2021</u> RMB'000
Differences in depreciation for tax purposes and provisions	<u>2,186</u>	<u>2,326</u>

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

27. Share capital

	Group and Company					
	2022		2021		2021	
	No. of ordinary shares	'000	USD'000	RMB'000	USD'000	RMB'000
Authorized (USD0.05 each)	<u>1,000,000</u>	<u>1,000,000</u>	<u>50,000</u>	<u>390,000</u>	<u>50,000</u>	<u>390,000</u>
Issued and fully paid At 1 January and 31 December	<u>383,288</u>	<u>383,288</u>	<u>19,164</u>	<u>149,488</u>	<u>19,164</u>	<u>149,488</u>

The Company has one class of ordinary shares which carry no right to fixed income.

The holders of ordinary shares are entitled to receive dividends as and when declared. All ordinary shares carry one vote per share without restriction.

The Company did not hold any treasury shares for the financial year ended 31 December 2022 and 2021.

28. Share premium

	Group and Company			
	2022		2021	
	US\$'000	RMB'000	US\$'000	RMB'000
At 1 January and 31 December	<u>16,704</u>	<u>130,298</u>	<u>16,704</u>	<u>130,298</u>

Share premium is the capital of the Company raised upon issuing shares that was in excess of the par value of the shares of USD0.05.

29. Statutory reserve

According to the relevant PRC regulations and the Articles of Association of the PRC subsidiary, it is required to transfer 10% of its profit after income tax, as determined under China's General Accepted Accounting Principles, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before the distribution of dividends to equity owners. Statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into paid-in capital in proportion to the existing interests of equity owners, provided that the balance after such conversion is not less than 25% of the registered capital.

The movement in the Group's statutory reserve in financial year 2022 comes from a statutory reserve of RMB 3,068,000 being made provision on subsidiary level. During the financial year, the subsidiary transferred statutory reserve amounting to RMB 3,068,000 from profit after income tax.

30. Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency exchange differences arising from the translation of the financial statements of the Company whose functional currency is different from that of the Group's presentation currency. Movement in this account is set out in the consolidated statement of changes in equity.

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31. Significant related party transactions

During the financial year, in addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions took place during the financial year at terms agreed between the parties:

- (a) Sale and purchases of goods and services

	Group	
	2022	2021
	RMB'000	RMB'000
Revenue		
Sale of LPG to a related party	666,517	227,396
Expenses		
Lease of port terminals, land use rights, office premises and staff dormitory paid to related parties	(6,075)	(5,741)
LPG transportation freight charges paid to related party	(8,567)	(4,497)
Lease of storage facilities paid to related party	(6,500)	(4,425)

- (b) Compensation of key management personnel

The remuneration of directors of the Group during the financial period are as follows:

	Group	
	12 month ended 31 Dec	
	2022	2021
	RMB'000	RMB'000
Directors' fees	447	475
Director's salaries	1,529	941
	<u>1,976</u>	<u>1,416</u>

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

32. Financial assets and financial liabilities

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Note	Group	
		2022 RMB'000	2021 RMB'000
Financial assets at fair value through profit or loss			
Derivatives financial assets	18	6,260	156
Financial assets at amortised cost			
Trade receivables – third parties	16	34,514	7,902
Other receivables (excluding prepayment, advance to suppliers)	16	1,681	825
Due from a related party	17	26,147	66,868
Margin deposits	19	-	387
Pledged fixed deposits	20	81,986	7,912
Cash and cash equivalents	21	131,848	143,853
		<u>276,176</u>	<u>227,748</u>
Financial liabilities at amortised cost			
Trade payables	22	1,125	105,930
Other payables (excluding VAT tax payables and advance from customers)	22	16,801	18,599
Due to a related party	17	9,101	8,040
Due to a holding company	23	1,741	1,593
Bank borrowings	24	393,951	202,080
Deferred tax liabilities		2,186	2,326
Lease liabilities	25	32,977	13,879
		<u>457,882</u>	<u>352,446</u>
Company			
	Note	2022 RMB'000	2021 RMB'000
Financial assets at amortised cost			
Cash and cash equivalents	21	11,535	11,535
Due from a related party	17	68	68
		<u>11,603</u>	<u>11,603</u>
Financial liabilities at amortised cost			
Trade and other payables	22	5,006	3,676
Due to related parties	17	3,763	4,151
Due to a subsidiary	23	37,992	36,511
Due to a holding company	23	1,741	1,593
		<u>48,502</u>	<u>45,931</u>

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

32. Financial assets and financial liabilities(Continued)

The fair values of applicable assets and liabilities are determined and categorised using a fair value hierarchy as follows:

- (a). Level 1 - the fair values of assets and liabilities with standard terms and conditions and which trade in active liquid markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).
- (b). Level 2 - in the absence of quoted market prices, the fair values of the assets and liabilities (excluding derivative instruments) are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets, quoted prices for identical or similar assets/liabilities in non-active markets.
- (c). Level 3 - in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Recurring Fair Value Measurement

	Level 1	Level 3	Level 3
	RMB'000	RMB'000	RMB'000
<u>Group</u>			
2022			
Financial assets:			
Derivative financial instruments	-	156	-
	<hr/>		
2021			
Financial assets:			
Derivative financial instruments	-	6,260	-
	<hr/>		

Except as disclosed in the respective notes, the carrying amounts of the current financial assets and financial liabilities approximate their respective fair values.

33.Subsequent events

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

Other Information Required by Listing Rule Appendix 7.2

OTHER INFORMATION

1. Review

The Condensed statements of financial position of Ouhua Energy Holdings Limited and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Condensed consolidated statement of profit or loss and other comprehensive income

For twelve months ended 31 December 2022 (“FY2022”) vs twelve months ended 31 December 2021 (“FY2021”)

Revenue

Revenue increased by approximately 30.3% or RMB 1,081.2 million from RMB 3,563.5 million in FY2021 to RMB 4,644.7 million in FY2022 due to a significant increase of liquefied petroleum gas (“LPG”) price from RMB 4,449 per ton in FY2021 to RMB 5,175 per ton in FY2022, while sales volume of liquefied petroleum gas (“LPG”) kept growing from 802,660 tons in FY2021 to 897,543 tons in FY2022.

Gross Profit

Gross profit increased by RMB 53.8 million or 41.0% from RMB 131.3 million in FY2021 to RMB 185.0 million in FY2022 since LPG as alternative of LNG became increasingly popular with the hiking price of LNG; Meanwhile, we managed to build up the inventories prior to the price went up, which helped our gross profit margin improve from 3.7% in FY2021 to 4.0% in FY2022,

Other operating income

Other operating income decreased from RMB 13.9 million in FY2021 to RMB 8.5 million in FY2022. The decrease of RMB 5.4 million or 38.6% was mainly attributed to the decrease of fair value gains of RMB 2.5 million and foreign exchange gains of RMB 2.1 million.

Selling and distribution expenses

Selling and distribution expenses increased by RMB 17.4 million or 32.5% from RMB 53.6 million in FY2021 to RMB 71.0 million in FY2022 due to an increase on marine freight, partially offset by a decrease on depreciation.

Administrative expenses

Administrative expenses increased by RMB 2.0 million or 11.3% from RMB 18.0 million in FY2021 to RMB 20.0 million in FY2022 mainly due to an increase on manpower cost.

Other operating expenses

Other operating expenses increased by RMB 8.2 million or 66.1% to RMB 20.7 million in FY2022 from RMB 12.5 million in FY2021 is mainly due to exchange loss of RMB 4.1 million and fair value loss on financial assets of RMB 3.0 million.

2. Review of performance of the Group(Continued)

Finance costs

Finance costs increased by approximately RMB 3.4 million or 28.7% from RMB 11.8 million in FY2021 to RMB 15.2 million in FY2022 mainly due to an increase on outstanding bank borrowing and interest recognized with an extension of long-term leasing agreements.

Profit attributable to equity holders

As a result of the above, the Group recorded net profit attributable to equity holders of RMB 48.5 million in FY2022, compared with net profit of RMB 32.9 million in FY2021.

Condensed statements of financial position

Non-current assets

Non-current assets increased by RMB 34.9 million or 28.9% from RMB120.8 million as at FY2021 to RMB155.6 million as at FY2022 mainly due to the acquisition of fixed assets amounting to RMB 56.3 million, partially offset by depreciation of property, plant and equipment of RMB 21.4 million.

Current assets

Current assets increased by RMB 120.5 million or 22.5% from RMB 536.6 million as at FY2021 to RMB 657.1 million as at FY2022. This is mainly due to the increase on trade and other receivables of RMB 201.2 million and pledged fixed deposit of RMB 74.1 million, partially offset by the decrease inventories of RMB 108.6 million and due from related parties of RMB 40.7 million.

Current liabilities

Current liabilities increased by approximately RMB 87.4 million or 21.5% from RMB 406.8 million at FY2021 to RMB 491.2 million at FY2022. This is mainly due to the increase in bank borrowings of RMB 191.2 million, partially offset by the decrease in trade and other payables of RMB 110.5 million.

Non-Current liabilities

Non-current liabilities increased by RMB 19.7 million was mainly due to the increase on long-term lease liabilities.

Condensed consolidated statement of cash flows

The Group recorded cash and cash equivalents of RMB 131.8 million as at FY2022. The net decrease of RMB 12.1 million from cash and cash equivalents in FY2021 arose from foreign exchange rate changes of RMB 0.7 million on foreign currency cash balances and net cash outflow from operating, investing and financial activities during FY2021 of RMB 12.1 million.

Net cash used in operating activities amounted to RMB 74.1 million mainly due to cash utilized in working capital contributed by profit before tax amounting to RMB 66.7 million and a decrease on inventories of RMB 108.6 million and due from related party of RMB 40.7 million, offset by an increase in trade and other receivables of RMB 202 million and a decrease on trade and other payable of RMB 105.3 million.

2. Review of performance of the Group (Continued)

Net cash used in investing activities amounted to RMB 36.6 million was due to purchase of property, plant and equipment and derivative financial instruments.

Net cash generated from financing activities amounted to RMB 98.6 million mainly due to proceeds from bank borrowing of RMB 829.3 million, partially offset by repayment of bank borrowings of 650.7million and an increase on pledged fixed deposit of RMB 74.1 million..

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

Not applicable.

4. 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 operating period and the next 12 months

Per the latest forecast of International Monetary Fund, the GDP growth year-on-year in PRC is projected to be around 5.2% in 2023, which means demand on clean energy keeps strong in our market. In spite of uncertainties of geopolitical factors remaining in international energy market, Ouhua has been making endeavor to capture opportunities from crisis, as evidenced in the last several years.

To lift efficiency in our supply chain is vital for Ouhua to become part of China's sustainability solution. Our management will continue to upgrade our infrastructure and invest on clean energy technology to provide better service to our customer. Moreover, we are seeking to diversify our customer network to more industries and regions. With continuous support from our customers, banks, shareholders and other stakeholders, Ouhua is, as it always, committed to achieve growth in sustainable way.

5. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

None.

(b) i) Amount per share in cents

None.

ii) Previous corresponding period in cents

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES

Other Information Required by Listing Rule Appendix 7.2

- (e) **The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

- 6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the financial year ended 31 December 2022.

The reason and general corporate purpose is to conserve cash for the Company's operation.

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
Other Information Required by Listing Rule Appendix 7.2

7. If the group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), 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.

Name of interested person	Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	Aggregate value of all interested person transactions (excluding transactions less than \$100,000)
	RMB'000	RMB'000	RMB'000
Chaozhou Huafeng (Group) Incorporation Ltd			
• Lease of storage facilities	-	5,000	5,000
Huajie (Guangdong) Logistics Technology Co., Ltd			
• Lease of LPG transportation vehicles	-	8,567	8,567
Chaozhou Huaxin Energy Co.,Ltd			
• Lease of storage facilities	-	1,500	1,500
Guangdong Zhongzhan New Energy Technology Co., Ltd			
• Sale of LPG	-	496,036	496,036
Chaozhou Chao'an Huasheng Fuel Co., Ltd			
• Sale of LPG	-	39,449	39,449
Chaozhou Chao'an Nanxiong Sheng Liquefied Gas Co., Ltd			
• Sale of LPG	-	58,434	58,434
Chaozhou Chao'an Dengtang Huafeng Liquefied Gas Supply Co., Ltd			
• Sale of LPG	-	59,910	59,910
Chaozhou Huafeng Refining Co., Ltd			
• Lease of port terminals, land use rights, office premises and staff dormitory		2,265	2,265
• Sale of LPG		12,688	12,688
Guangdong Huafeng Zhongtian LNG Co., Ltd			
• Lease of port terminals, land use rights, office premises and staff dormitory		3,810	3,810

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

8. 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

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker.

The principal operation of the Group relates almost entirely to the import, processing, storage and distribution of LPG in the PRC and Asia Pacific region. All the non-current assets are located in the PRC.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical presence of the markets.

Distribution of total sales by geographical markets

	<u>2022</u> RMB'000	<u>Total</u>	<u>2021</u> RMB'000
<u>Geographical markets</u>			
PRC	4,639,525		3,414,593
Asia Pacific	<u>5,176</u>		<u>148,942</u>
	<u>4,644,701</u>		<u>3,563,535</u>

9. A Breakdown of Sales

	<u>2022</u> RMB'000	<u>Group</u>	<u>2021</u> RMB'000	<u>Increase/ (Decrease)</u> %
(a) Sales reported for first half year	2,354,285		1,656,935	42
(b) Operating profit/loss after tax before deducting non-controlling interests reported for first half year	6,025		9,847	-39
(c) Sales reported for second half year	2,290,416		1,906,600	20
(d) Operating profit/loss after tax before deducting non-controlling interests reported for second half year	42,479		23,190	83

10. Disclosure of persons 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(13) below:

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director or Chief Executive Officer or substantial shareholder of the Company."

11. 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)

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

Liang Guo Zhan
Executive Chairman

27 February 2023