

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 ("Q1") and 3 months ("FY") ended 31 March 2024

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

	Note	The Group 3 months ended 31 March		+/- %
		2024 RMB'000	2023 RMB'000	
Revenue	4.2	1,466,295	1,246,561	17.6
Cost of Sales		(1,328,316)	(1,205,597)	10.2
Gross profit		137,979	40,964	236.8
Other income		2,839	2,010	41.2
Administrative costs		(13,842)	(7,574)	82.8
Distribution costs		(2,299)	(68)	3,280.9
Other operating expense		(38)	(395)	(90.4)
Finance costs		(6,559)	(9,762)	(32.8)
Profit before taxation	5	118,080	25,175	369.0
Income tax expense	6	(29,713)	(11,991)	147.8
Net profit for the year		88,367	13,184	570.3
Total comprehensive income for the year		88,367	13,184	570.3
Total comprehensive income attributable to:				
Equity holders of the Company		64,522	4,331	
Non-controlling interests		23,845	8,853	
		88,367	13,184	
Earnings per share attributable to equity holders of the Company (RMB cents per share)				
Basic		10.0816	0.6767	
Diluted		10.0816	0.6767	

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	The Group 31		The Company 31	
		31 March 2024 RMB'000	December 2023 RMB'000	31 March 2024 RMB'000	December 2023 RMB'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	7	1,413,791	1,459,008	6	6
Right-of-use assets		3,150	3,150	-	-
Land use rights		88,557	88,248	-	-
Goodwill on consolidation	8	10,345	10,345	-	-
Investment in subsidiary corporations		-	-	250,041	250,041
Financial asset, at fair value through other comprehensive income	9	48,953	48,953	-	-
		<u>1,564,796</u>	<u>1,609,704</u>	<u>250,047</u>	<u>250,047</u>
CURRENT ASSETS					
Land use rights		470	1,088	-	-
Inventories	10	325,519	334,916	-	-
Trade and other receivables	11	8,946	9,889	-	-
Amounts owing by affiliated companies	11	19,707	5,464	-	-
Prepayments	12	2,310	1,360	46	-
Cash and bank balances		654,096	562,886	3,928	514
		<u>1,011,048</u>	<u>915,603</u>	<u>3,974</u>	<u>514</u>
TOTAL ASSETS		<u>2,575,844</u>	<u>2,525,307</u>	<u>254,021</u>	<u>250,561</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)		730,137	705,892	(63,225)	(67,119)
Capital reserves		250,000	250,000	-	-
Fair value reserves		12,952	12,952	-	-
Other reserves		220,899	180,622	-	-
		<u>1,530,113</u>	<u>1,465,591</u>	<u>252,900</u>	<u>249,006</u>
Non-controlling interests		258,720	234,875	-	-
TOTAL EQUITY		<u>1,788,833</u>	<u>1,700,466</u>	<u>252,900</u>	<u>249,006</u>
LIABILITIES					
NON-CURRENT LIABILITIES					
Loans from non-controlling interest	14	50,000	50,000	-	-
Bank borrowings	14	300,000	300,000	-	-
Lease liabilities		2,925	3,428	-	-
		<u>352,925</u>	<u>353,428</u>	<u>-</u>	<u>-</u>
CURRENT LIABILITIES					
Loans from non-controlling interest	14	150,000	200,000	-	-
Bank borrowings	14	60,000	60,000	-	-
Lease liabilities		682	179	-	-
Trade and other payables	15	158,429	98,448	1,121	1,555
Amounts owing to affiliated companies	15	35,276	42,887	-	-
Current tax payable		29,699	69,899	-	-
		<u>434,086</u>	<u>471,413</u>	<u>1,121</u>	<u>1,555</u>
TOTAL EQUITY AND LIABILITIES		<u>2,575,844</u>	<u>2,525,307</u>	<u>254,021</u>	<u>250,561</u>

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	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 2024 to 31 March 2024										
Balance as at 1 January 2024	316,125	705,892	12,952	250,000	179,825	797	180,622	1,465,591	234,875	1,700,466
Total comprehensive income for the period	-	64,522	-	-	-	-	-	64,522	23,845	88,367
Transfer to statutory common reserve	-	(40,277)	-	-	40,277	-	40,277	-	-	-
Balance as at 31 March 2024	316,125	730,137	12,952	250,000	220,102	797	220,899	1,530,113	258,720	1,788,833

	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 2023 to 31 March 2023										
Balance as at 1 January 2023	316,125	532,552	8,765	250,000	135,555	797	136,352	1,243,794	296,456	1,540,250
Total comprehensive income for the period	-	4,331	-	-	-	-	-	4,331	8,853	13,184
Transfer to statutory common reserve	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	316,125	536,883	8,765	250,000	135,555	797	136,352	1,248,125	305,309	1,553,434

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

	Share capital RMB'000	Accumulated losses RMB'000	Total equity RMB'000
1 January 2024 to 31 March 2024			
Balance as at 1 January 2024	316,125	(67,119)	249,006
Total comprehensive income for the period	-	3,894	3,894
Dividend paid	-	-	-
Balance as at 31 March 2024	<u>316,125</u>	<u>(63,225)</u>	<u>252,900</u>

	Share capital RMB'000	Accumulated losses RMB'000	Total equity RMB'000
1 January 2023 to 31 March 2023			
Balance as at 1 January 2023	316,125	(60,390)	255,735
Total comprehensive income for the period	-	(522)	(522)
Balance as at 31 March 2023	<u>316,125</u>	<u>(60,912)</u>	<u>255,213</u>

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group	
	3 months ended 31 March	
	2024	2023
	RMB'000	RMB'000
Cash flows from operating activities		
Profit for the period	118,080	25,175
Adjustments for:-		
Depreciation of property, plant and equipment	46,192	39,629
Amortisation of land use rights	309	301
Interest expense	6,559	9,762
Interest income	(2,230)	(1,419)
Operating profit before working capital changes	168,910	73,448
Changes in working capital:		
Change in inventories	9,397	(22,795)
Change in amount owing by/(to) affiliated companies	(21,854)	16,417
Change in operating receivables	(7)	(144,006)
Change in operating payables	59,981	58,197
Cash generated from operations	216,427	(18,739)
Income tax paid	(69,913)	(8,499)
Net cash generated by/used in operating activities	146,514	(27,238)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(975)	(7,989)
Interest received	2,230	1,419
Net cash generated by/used in investing activities	1,255	(6,570)
Cash flows from financing activities		
Repayment of loan to non-controlling interests	(50,000)	(50,000)
Interest paid	(6,559)	(9,762)
Net cash used in financing activities	(56,559)	(59,762)
Net increase/(decrease) in cash and cash equivalents	91,210	(93,570)
Cash and cash equivalents at beginning of year	562,886	521,064
Cash and cash equivalents at end of year	<u>654,096</u>	<u>427,494</u>

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

Bank balances	<u>654,096</u>	<u>427,494</u>
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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 March 2024 comprise the Company and its subsidiaries (collectively, “the Group”).

2. Basis of Preparation

The condensed interim financial statements for the three months ended 31 March 2024 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 year ended 31 December 2023.

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

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

2.1. New and amended standards adopted by the Group

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

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

2.2. Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

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

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

- Useful lives of property, plant and equipment

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

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

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

3. Seasonal operations

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

4. Segment and revenue information

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

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

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

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

4. Segment and revenue information

4.1. Reportable segments

	The Group		
	3 months ended 31 March 2024		
	Gas Separation	Transport and	Total
	RMB'000	Logistic Services	RMB'000
	RMB'000	RMB'000	RMB'000
Revenue			
External customers	1,377,512	88,783	1,466,295
Inter-segment sales	406,933	5,447	412,380
Total revenue	<u>1,784,445</u>	<u>94,230</u>	<u>1,878,675</u>
Segment assets	<u>1,833,597</u>	<u>49,233</u>	<u>1,882,830</u>
Segment liabilities	<u>92,614</u>	<u>18,138</u>	<u>110,752</u>
Results			
Segment results	<u>126,867</u>	<u>11,112</u>	<u>137,979</u>
Unallocated expenses			
Unallocated corporate expenses			(15,570)
Profit from operations			122,409
Finance income			2,230
Finance cost			(6,559)
Profit before tax			118,080
Tax expense			(29,713)
Profit after tax			<u>88,367</u>
Segments assets for reportable segments			
Other assets unallocated			1,882,830
Amounts owing by affiliated companies			19,707
Cash and cash equivalents			654,096
Other receivables			8,866
Goodwill on consolidation			10,345
			<u>2,575,844</u>
Segments liabilities for reportable segments			
Other liabilities unallocated			110,752
Other payables			51,284
Amounts owing to affiliated companies			35,276
Bank borrowings			360,000
Loan from non-controlling interest			200,000
Current tax payable			29,699
			<u>787,011</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 March 2023		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
Revenue			
External customers	1,169,600	76,961	1,246,561
Inter-segment sales	418,777	8,123	426,900
Total revenue	<u>1,588,377</u>	<u>85,084</u>	<u>1,673,461</u>
Segment assets	<u>2,130,785</u>	<u>26,203</u>	<u>2,156,988</u>
Segment liabilities	<u>144,147</u>	<u>6,501</u>	<u>150,648</u>
Results			
Segment results	<u>31,345</u>	<u>9,619</u>	<u>40,964</u>
Unallocated expenses			
Unallocated corporate expenses			(7,446)
Profit from operations			33,518
Finance income			1,419
Finance cost			(9,762)
Profit before tax			25,175
Tax expense			(11,991)
Profit after tax			<u>13,184</u>
Segments assets for reportable segments			
Other assets unallocated			2,156,988
Amounts owing by affiliated companies			1,079
Cash and cash equivalents			427,494
Other receivables			10,302
Goodwill on consolidation			10,345
			<u>2,606,208</u>
Segments liabilities for reportable segments			
Other liabilities unallocated			150,648
Other payables			49,703
Amounts owing to affiliated companies			19,936
Bank borrowings			420,000
Loan from non-controlling interest			400,000
Current tax payable			12,487
			<u>1,052,774</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 March 2024		
	Gas Separation	Logistics Services	Total
	RMB'000	RMB'000	RMB'000
People's Republic of China			
Liquefied petroleum gas	151,481	-	151,481
Polypropylene	64,578	-	64,578
Premium grade polypropylene	406,325	-	406,325
Methyl Tert-Butyl Ether ("MTBE")	602,958	-	602,958
Hydrogen	66,112	-	66,112
Isobutylene	46,639	-	46,639
Other Gas	8,262	-	8,262
Utilities	31,157	-	31,157
Transport and logistic services	-	88,783	88,783
	<u>1,377,512</u>	<u>88,783</u>	<u>1,466,295</u>

	The Group		
	3 months ended 31 March 2023		
	Gas Separation	Logistics Services	Total
	RMB'000	RMB'000	RMB'000
People's Republic of China			
Liquefied petroleum gas	179,074	-	179,074
Polypropylene	229	-	229
Premium grade polypropylene	377,195	-	377,195
Methyl Tert-Butyl Ether ("MTBE")	508,576	-	508,576
Hydrogen	49,178	-	49,178
Isobutylene	46,413	-	46,413
Other Gas	8,935	-	8,935
Transport and logistic services	-	76,961	76,961
	<u>1,169,600</u>	<u>76,961</u>	<u>1,246,561</u>

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

5. Profit before taxation

Significant items

	The Group	
	3 months ended 31 March 2024 RMB'000	3 months ended 31 March 2023 RMB'000
Interest Income	2,230	1,419
Expenses:		
Interest on borrowings	(6,559)	(9,762)
Depreciation of property, plant and equipment	46,192	39,629
Depreciation of rights-of-use assets	309	301

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 March 2024 RMB'000	3 months ended 31 March 2023 RMB'000
Current income tax expense		
- Profit for the financial period	29,797	11,991
- Under provision in prior financial periods	(84)	-
	29,713	11,991

7. Property, plant and equipment

During the three months ended 31 March 2024, the Group acquired assets amounting to RMB975,972 (31 March 2023: RMB7,989,000) and disposed of assets with net carrying value amounting to RMB Nil (31 March 2023: RMB Nil).

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

8. Goodwill arising on consolidation

	The Group	
	31 March 2024 RMB'000	31 December 2023 RMB'000
Cost and carrying amount		
Beginning and end of period	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 March 2024 RMB'000	31 December 2023 RMB'000
Dongming Changshun Transport Company Limited (东明县昌顺运输有限公司)	2,501	2,501
Dongming Qianhai Petrochemical Co., Ltd (东明前海化工有限公司)	7,844	7,844
	<u>10,345</u>	<u>10,345</u>

The recoverable amount of a CGU was determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using terminal growth rate of 3% (2023: 3%). These cash flows were discounted using a pre-tax discount rate of 10% (2023: 10%) that reflected current market assessment of the time value of money and the risks specific to the CGUs. The growth rate is based on past performance and expectations on market development.

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

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

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

9. Financial assets at fair value through other comprehensive income

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

	The Group	
	31 March 2024 RMB'000	31 December 2023 RMB'000
Equity security (unquoted)		
- Dongming Qianhai Petrochemical Co., Ltd (东明前海化工有限公司)		
Beginning and end of period	48,953	48,953

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

9.1. Fair value measurement

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

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

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

	Level 3 RMB'000
31 March 2024	
Financial assets, at FVOCI	48,953
31 December 2023	
Financial assets, at FVOCI	48,953

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

10. Inventories

	The Group		The Company	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	RMB'000	RMB'000	RMB'000	RMB'000
At cost				
Raw materials	154,651	180,348	-	-
Semi-finished goods	5,452	-	-	-
Finished goods	165,416	154,568	-	-
	<u>325,519</u>	<u>334,916</u>	<u>-</u>	<u>-</u>

11. Trade and other receivables

	The Group		The Company	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables				
- Non-related parties	-	6,174	-	-
Other receivables				
- Non-related parties	8,866	-	-	-
Accrued revenue	-	3,182	-	-
Advances made to staff	80	533	-	-
	<u>8,946</u>	<u>9,889</u>	<u>-</u>	<u>-</u>

	The Group		The Company	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	RMB'000	RMB'000	RMB'000	RMB'000
Amount owing by affiliated companies	<u>19,707</u>	<u>5,464</u>	<u>-</u>	<u>-</u>

12. Prepayments

	The Group		The Company	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments				
Others	2,310	1,360	-	514
	<u>2,310</u>	<u>1,360</u>	<u>-</u>	<u>514</u>

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

13. Share capital

	The Group		The Company	
	31 March 2024		31 December 2023	
	Number of shares '000	Amount RMB'000	Number of shares '000	Amount RMB'000
Issued and fully paid, with no par value Beginning and end of 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 March 2024 RMB'000	31 December 2023 RMB'000	31 March 2024 RMB'000	31 December 2023 RMB'000
Amount repayable within one year or on demand				
- Secured	60,000 ^(a)	60,000 ^(a)	-	-
- Unsecured	150,000 ^(b)	200,000 ^(b)	-	-
Amount repayable after one year				
- Secured	300,000 ^(a)	300,000 ^(a)	-	-
- Unsecured	50,000 ^(b)	50,000 ^(b)	-	-

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

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

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

15. Trade and other payables

	The Group		The Company	
	31 March 2024 RMB'000	31 December 2023 RMB'000	31 March 2024 RMB'000	31 December 2023 RMB'000
Trade payables				
- Non-related parties	107,145	41,829	-	-
Other payables				
- Non-related parties	13,383	13,887	1,121	-
Accruals - Salaries and related costs	7,529	9,475	-	-
VAT payables	20,769	16,652	-	-
Other governmental tax payables	9,603	144	-	-
Contract liabilities - advance collection from customers	-	14,231	-	-
Deferred income	-	2,072	-	-
Amount owing to staff	-	158	-	-
	<u>158,429</u>	<u>98,448</u>	<u>1,121</u>	<u>1,555</u>

Amount owing to affiliated companies

	The Group		The Company	
	31 March 2024 RMB'000	31 December 2023 RMB'000	31 March 2024 RMB'000	31 December 2023 RMB'000
Amount owing to affiliated companies	<u>35,276</u>	<u>42,887</u>	<u>-</u>	<u>-</u>

Affiliated companies refer to companies which a director of the Company has an indirect equity interest. Amounts owing to affiliated companies are unsecured, non-interest bearing and payable on demand.

16. Net asset value

	The Group		The Company	
	31 March 2024 RMB	31 December 2023 RMB	31 March 2024 RMB	31 December 2023 RMB
Net asset value per ordinary share(RMB Yuan Per share)	<u>2.39</u>	<u>2.29</u>	<u>0.40</u>	<u>0.39</u>

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

17. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2024 and 31 December 2023.

	Note	The Group		The Company	
		31 March 2024 RMB'000	31 December 2023 RMB'000	31 March 2024 RMB'000	31 December 2023 RMB'000
Financial Assets					
- At FVOCI	9	48,953	48,953	-	-
- At amortised cost		682,669	577,706	3,928	2,033
		<u>731,622</u>	<u>626,659</u>	<u>3,928</u>	<u>2,033</u>
Financial Liabilities					
- At amortised cost		<u>713,557</u>	<u>721,843</u>	<u>1,121</u>	<u>1,555</u>

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

19. Affiliated companies' transactions

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

	The Group	
	31 March 2024	31 March 2023
	RMB'000	RMB'000
Sales to affiliated companies		
东明前海热力有限公司	37,786	31,593
东明中油燃料石化有限公司	133,265	116,352
山东东明石化集团有限公司	3,054	2,193
东明石油经销有限公司	48	528
山东东明梨树化学有限公司	9,797	-
东明润明油品销售有限公司	37	126
东明万海氯碱化工有限公司	3,976	4,451
江苏新海石化有限公司	16,502	11,899
江苏润海油品销售有限公司	-	6,858
山东劲海化工有限公司	-	15
山东东明石化集团鲁班建筑有限公司	435	1,402
江苏新海新能源有限公司	175	159
山东华旺热力有限公司	1,649	-
山东东明英伦石油有限公司	624	-
山东东明石化集团河南销售有限公司	2,756	-
江苏新洋国际贸易有限公司	2,898	-
Purchases from affiliated companies		
东明前海热力有限公司	128,003	123,083
东明中油燃料石化有限公司	833,964	590,969
山东东明石化集团有限公司	13,142	11,514
东明石油经销有限公司	452	594
山东东明梨树化学有限公司	8,130	8,540
东明万海氯碱化工有限公司	239	105
江苏新海石化有限公司	3	3
东明洁源环保科技有限公司	1,371	689
山东东明石化集团鲁班建筑有限公司	350	4,549
江苏新海新能源有限公司	-	23
东明清源水务有限公司	233	-
Interest expenses on loan charged by affiliated company		
- 山东东明石化集团有限公司	2,995	5,335
Other individually immaterial transactions		
	3,794	2,250

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

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

20. Subsequent events

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

OTHER INFORMATION

1. Review

The consolidated statement of financial position of Sinostar PEC Holdings Limited and its subsidiaries as at 31 March 2024 and the related consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of Performance of the Group

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

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

Revenue

1Q24 Analysis of Revenue	3 months ended 31 March 2024		3 months ended 31 March 2023		+ / (-)
	RMB'000	%	RMB'000	%	
Processed LPG					
- Total	424,166	28.93	447,986	35.94	(5.32)
- Inter-company	(272,685)	(18.60)	(268,912)	(21.57)	1.40
Propylene					
- Total	129,907	8.86	147,033	11.80	(11.65)
- Inter-company	(129,907)	(8.86)	(146,804)	(11.78)	(11.51)
Polypropylene	64,578	4.40	-	-	-
Premium grade polypropylene					
- Total	406,325	27.71	379,504	30.44	7.07
- Inter-company	-	-	(2,309)	(0.19)	(100.00)
MTBE	602,958	41.12	508,576	40.80	18.56
Hydrogen					
- Total	66,223	4.52	49,930	4.01	32.63
- Inter-company	(111)	(0.01)	(752)	(0.06)	(85.24)
Isobutylene	46,639	3.18	46,413	3.72	0.49
Other Gas	8,262	0.56	8,935	0.72	(7.53)
Logistics and transport related services					
- Total	94,230	6.43	85,084	6.83	10.75
- Inter-company	(5,447)	(0.36)	(8,123)	(0.65)	(32.94)
Utilities					
- Total	35,387	2.41	-	-	-
- Inter-company	(4,230)	(0.29)	-	-	-
Total	1,466,295	100.00%	1,246,561	100.00%	

(a) **Processed LPG**

LPG decreases by 5.32% from RM447.99 million in 1Q23 to RMB424.17 million in 1Q24, included the inter-company transactions. A total of 88,695 tonnes produced and sold during the periods, an increase of 14.70% as compared to 1Q23. Both average selling prices ("ASP") and average cost of production ("ACP") during the period decrease by 17.45% and 17.37% respectively as compared to 1Q23.

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)

(b) Propylene

Propylene is used to further process into premium grade polypropylene in 1Q24.

(c) Premium grade polypropylene

Premium grade polypropylene increases by 7.07% from RMB379.50 million in 1Q23 to RMB406.32 million in 1Q24, included the inter-company transactions. Total sales volume also increases by 10.84% from 55,178 tonnes in 1Q23 to 61,162 tonnes in 1Q24. ASP and ACP both decrease by 3.41% and 10.10% respectively as compared to 1Q23.

(d) Polypropylene

Due to the shutdown and overhaul of the 50,000-ton polypropylene unit, the Group did not record any product sales in 1Q23. It resumed production in 2Q23.

Therefore, in 1Q24, a total of 10,269 tons of polypropylene were sold, with a sales revenue of RMB 64.58 million.

(e) MTBE

Sale of MTBE increase by 18.56% from RMB508.58 million in 1Q23 to RMB602.96 million in 1Q24. Total sales volume increases 23.71% from 83,335 tonnes in 1Q23 to 103,090 tonnes in 1Q24. Both ASP and ACP during the period decrease by 4.16% and 16.08% respectively as compared to 1Q23

(f) Hydrogen

In 1Q24, hydrogen sales volume increase by 33.16% to 4,516 tonnes as compared to 3,391 tonnes in 1Q23. Revenue has an increase of 32.63% from RMB49.93 million in 1Q23 to RMB66.22 million in 1Q24, included the inter-company transactions. ASP has decrease by 0.40% and ACP has increase by 10.88% as compared to 1Q23.

(g) Isobutylene

Sale of isobutylene has increase 0.49% from RMB46.41 million in 1Q23 to RMB46.64 million in 1Q24 as total sales volume has increase by 1.52% to 5,058 tonnes as compared with 4,982 tonnes in 1Q23. Both ASP and ACP have decrease 1.02% and 26.50% respectively as compared to 1Q24.

(h) Other Gases

The sale of other gases has decrease by 7.54% from RMB8.94 million in 1Q23 to RMB8.26 million in 1Q24. However, total sales volume has increase 12.41% from 1,338 tonnes to 1,504 tonnes in 1Q24. Both ASP and ACP have decrease by 17.75% and 7.95% respectively.

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)

(i) **Utilities**

Since 4Q23, the Group has changed its financial accounting method from the previous method of offsetting the cost of purchasing utilities to the current method of including in its sales revenue.

Therefore, revenue from this business has increase 100.00% to RMB35.39 million in 1Q24, included the inter-company transactions.

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

Revenue from this business has increase 10.75% from RMB85.08 million in 1Q23 to RMB94.23 million in 1Q24, included the inter-company transactions.

Gross profit

Gross profit has increase from RMB40.96 million in 1Q23 to approximately RMB137.98 million in 1Q24. The increase in gross profit mainly comes from the following factors:-

In 1Q24, the sales volume of the gas separation business (including inter-company transactions) increased by 47,731.5 tons compared to the 1Q23. Gross profit margin of the company's main products, MTBE, isobutylene, and high-end polypropylene, has also increased compared 1Q23. Lastly, the sales volume of logistics and transportation business has increased compared to 1Q23.

Other income and expenses

(a) **Other income**

A total of RMB2.84 million has been received inclusive of RMB2.23 million of bank interest earned on short-term deposits placed with financial institution and other miscellaneous income of RMB0.61 million in 1Q24.

(b) **Administrative costs**

Administrative costs increase from RMB7.57 million in 1Q23 to RMB13.84 million in 1Q24, mainly due to the company's vigorous promotion of full-value chain optimization management and new product development. R&D expenses in 1Q24 increased by RMB8.68 million compared to the same period last year, which offset the decrease of RMB2.42 million in other administrative expenses.

(c) **Distribution costs**

Distribution costs increases from RMB0.07 million in 1Q23 to RMB2.30 million in 1Q24. This was mainly due to increase in providing of door-to-door transportation services to meet some customers' demand in 1Q24.

(d) **Finance costs**

The finance costs have decreased from RMB9.76 million in 1Q23 to RMB6.56 million in 1Q24 as the amount of borrowings have decrease.

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)

(e) **Taxation**

Quarterly tax provision is made by entities base on each profitability.

(f) **Net Profit**

The Group made a net profit of RMB88.37 million in 1Q24 as compared to RMB13.18 million in 1Q23. The increase in net profit is mainly due to the increase in gross profit.

Condensed Interim Consolidated Statements of Financial Positions

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

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

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

(b) **Inventories**

Inventories comprise of approximately RMB154.65 million of raw materials, RMB5.45 million of semi-finished goods and equivalent value of RMB165.42 million on finished petrochemical products, recorded at cost.

(c) **Prepayment**

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

(d) **Non-controlling interest**

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

(e) **Bank Borrowings**

This mainly consists of a bank loan to finance Dongming Hengchang's new polypropylene construction. The loan is guaranteed by the related party Dongming Zhongyou Fuel Petrochemical Co., Ltd. The interest is calculated at a floating rate and repayment is made every six months, and full settlement is scheduled to be completed by January 2027.

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

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

A total of RMB50.0 million has been repaid in 1Q24.

OTHER INFORMATION (CONT'D)

Condensed Interim Consolidated Statement of Cash Flow

The Group's operating activities resulted in a net cash inflow of RMB146.51 million and its investment activities also resulted in a net cash inflow of RMB1.26 million, while its financing activities resulted in a net cash outflow of RMB56.56 million during the first quarter of 2024. As of 31 March 2024, the group had a cash balance of RMB654.10 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 March 2024.

- 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 March 2024	31 December 2023
Number of issued shares (excluding treasury shares)	640,000,000	640,000,000
Number of treasury shares	NIL	NIL

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

Not applicable.

2. **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 March	
	2024	2023
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 (RMB cents)	10.08	0.67
No. of shares in issue (weighted average)	<u>640,000,000</u>	<u>640,000,000</u>
(b) On a fully diluted basis (RMB cents)	10.08	0.67
No. of shares in issue (weighted average)	<u>640,000,000</u>	<u>640,000,000</u>

OTHER INFORMATION (CONT'D)

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

None.

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

The Group anticipates sustained growth in demand for its key products, driven by the ongoing global economic recovery and consumer upgrades. The advent of new technologies and advancements in materials offer promising prospects for the high-end polypropylene market. Nevertheless, the market encounters challenges such as mounting supply-side pressures and waning demand from consumers. Furthermore, fluctuations in oil prices directly influence the production costs of the Group's principal products, subsequently impacting their market prices. Looking forward, the Group will actively work to manage supply-side pressures while closely monitoring shifts in demand-side dynamics. Additionally, it will intensify efforts in technological innovation and the development of high-value-added products to align with future market trends.

The Board of Directors maintains an optimistic outlook on the Group's long-term growth trajectory.

7. **Dividend information**

- (a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None

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

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

None

- (c) Date payable

NA

- (d) Book Closure Date

NA

OTHER INFORMATION (CONT'D)

8. Interested person transactions

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
<p>For period from January to March 2024:-</p> <p>Transactions between Dongming Hengchang Petrochemical Co., Ltd (东明恒昌化工有限公司) and its subsidiary Dongming Qianhai Petrochemical Co., Ltd (东明前海化工有限公司) <i>(transactions are subject to consolidation group eliminations)</i></p> <ul style="list-style-type: none"> - Logistics & Transport Related Services - Purchase of Utilities - Sale of Utilities - Sale of Processed LPG - Purchase of Propylene - Purchase of Hydrogen 		<p style="text-align: right;">3,953,881</p> <p style="text-align: right;">2,832,692</p> <p style="text-align: right;">1,397,618</p> <p style="text-align: right;">272,685,165</p> <p style="text-align: right;">129,906,805</p> <p style="text-align: right;">111,000</p>
<p>Dongming Qianhai Reli Co., Ltd (东明前海热力有限公司)</p> <ul style="list-style-type: none"> - Logistics & Transport Related Services - Purchase of Utilities - Sale of Utilities 		<p style="text-align: right;">5,340,906</p> <p style="text-align: right;">128,003,332</p> <p style="text-align: right;">32,445,423</p>
<p>Dongming Zhongyou Fuel & Petrochemical Co., Ltd* (东明中油燃料石化有限公司)</p> <ul style="list-style-type: none"> - Logistics & Transport Related Services - Purchase of Utilities - Sale of Utilities - Purchase of raw LPG - Sale of Processed LPG - Purchase of Propylene - Sale of hydrogen - Purchase parts and components 		<p style="text-align: right;">30,680,026</p> <p style="text-align: right;">8,278,493</p> <p style="text-align: right;">15,029</p> <p style="text-align: right;">730,935,627</p> <p style="text-align: right;">34,487,287</p> <p style="text-align: right;">94,684,706</p> <p style="text-align: right;">68,083,018</p> <p style="text-align: right;">64,974</p>

OTHER INFORMATION (CONT'D)

8. Interested person transactions (cont'd)

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Shandong Dongming Petrochem Group Co., Ltd (山东东明石化集团有限公司) - Logistics & Transport Related Services - Purchase of Utilities		3,053,591 13,142,322
Dongming Crude Oil Distribution Co., Ltd (东明石油经销有限公司) - Logistics & Transport Related Services - Purchase of Utilities		47,536 452,124
Shandong Dongming Lishu Petroleum Co (山东东明梨树化学有限公司) - Logistics & Transport Related Services - Purchase of Utilities - Purchase of raw LPG - Sale of Processed LPG		353,953 2,893 8,127,334 9,443,155
Dongming Runming Oil Products Distribution Co., Ltd (东明润明油品销售有限公司) - Logistics & Transport Related Services		36,752
Dongming WanHaiLuiJiang Petrochemical Co., Ltd (东明万海氯碱化工有限公司) - Logistics & Transport Related Services - Purchase chemical excipients - Purchase parts and components		3,976,262 236,748 1,782

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)
Jiangsu Xinghai Petrochem Co., Ltd (江苏新海石化有限公司) - Logistics & Transport Related Services - Purchase of Utilities		16,501,994 3,186
Dongming Jie-Yuan Environmental Technology Pte Ltd (东明洁源环保科技有限公司) - Procurement of sewage treatment services		1,370,899
Shandong Dongming Petrochem Group Lu Ban Construction Pte Ltd (山东东明石化集团鲁班建筑有限公司) - Logistics & Transport Related Services - Maintenance of parts and machineries		435,273 350,405
Jiangsu Xinghai New Energy Co., Ltd (江苏新海新能源有限公司) - Logistics & Transport Related Services		174,617
Dongming Qingyuan Co., Ltd (东明清源水务有限公司) - Purchase of Utilities		233,123
Shandong Huawang Reli Co., Ltd (山东华旺热力有限公司) - Logistics & Transport Related Services		1,648,958

OTHER INFORMATION (CONT'D)

8. Interested person transactions (cont'd)

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Shandong Dongming Yinglun Petrochemical Co., Ltd (山东东明英伦石油有限公司) - Logistics & Transport Related Services		624,010
Shandong Dongming Henan Distribution Co., Ltd (山东东明石化集团河南销售有限公司) - Logistics & Transport Related Services		2,755,951
Jiangsu Xinhai International Trading Co., Ltd (江苏新洋国际贸易有限公司) - Logistics & Transport Related Services		2,897,593

OTHER INFORMATION (CONT'D)

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Li Xiangping	62	Father of Li Zhi, non-executive Director of the Company.	CEO and Executive Chairman since April 2021. Substantial shareholder of the Company.	From non-executive Chairman to Executive Chairman from April 2021.
Li Zhi	38	Son of Mr Li Xiangping, the CEO and Executive Chairman of the Company.	Non-Executive Director of the Company Since 2019	Appointed in year 2019.

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

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

BY ORDER OF THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the three-month period ended 31 March 2024 to be false or misleading in any material aspect.

Li Xiang Ping
Executive Chairman and CEO

Yan Tailing
Executive Director, Deputy CEO and CFO

Singapore
14 May 2024