



**Anchun International Holdings Ltd.**

(Incorporated in Singapore)

(Company registration number: 200920277C)

**Condensed Interim Financial Statements  
For the six months and full year ended 31 December 2022**

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**A. Unaudited condensed consolidated statement of profit or loss and other comprehensive income  
For the six months and full year ended 31 December 2022**

The Group's operations are principally conducted in the People's Republic of China ("PRC"). Accordingly, the condensed consolidated financial statements have been prepared in Chinese Renminbi ("RMB"), being the functional currency of the Company and its subsidiary.

	Group			Group			
	Unaudited	Unaudited	Change	Unaudited	Audited	Change	
	Second half year ended			Full year ended			
	31/12/2022	31/12/2021	%	31/12/2022	31/12/2021	%	
	RMB'000	RMB'000		RMB'000	RMB'000		
<b>Revenue</b>	100,283	81,727	23	182,766	109,042	68	
Cost of sales	(66,356)	(56,184)	18	(129,289)	(77,954)	66	
<b>Gross profit</b>	33,927	25,543	33	53,477	31,088	72	
<b>Other items of income</b>							
Finance and other income	7,802	3,693	111	10,772	7,233	49	
(Impairment)/ write-back of losses on financial assets, net	639	1,544	(59)	(284)	910	(131)	
<b>Other items of expenses</b>							
Marketing and distribution expenses	(3,533)	(4,224)	(16)	(6,263)	(6,558)	(4)	
Administrative expenses	(10,699)	(9,965)	7	(20,021)	(21,759)	(8)	
Research expenses	(5,097)	(9,322)	(45)	(7,029)	(13,223)	(47)	
Other operating expense	(22)	(18)	22	(179)	(67)	167	
<b>Finance costs</b>							
- Bank charges	(1)	(1)	0	(3)	(4)	(25)	
<b>Profit/(loss) before tax</b>	<b>23,016</b>	<b>7,250</b>	<b>217</b>	<b>30,470</b>	<b>(2,380)</b>	<b>N.M</b>	
Income taxation	298	336	(11)	(223)	336	N.M	
<b>Total comprehensive income for the period/year attributable to owners of the Company</b>	<b>23,314</b>	<b>7,586</b>	<b>207</b>	<b>30,247</b>	<b>(2,044)</b>	<b>N.M</b>	
<b>Earnings/(loss) per share (RMB cents):</b>							
Basic	17	48.98	15.77	208	63.49	(4.25)	N.M
Diluted	17	48.98	15.77	208	63.49	(4.25)	N.M

N.M. - not meaningful

**B. Unaudited condensed statements of financial position  
As at 31 December 2022**

	Note	Group			Company		
		Unaudited 31/12/2022 RMB'000	Audited 31/12/2021 RMB'000	Change %	Unaudited 31/12/2022 RMB'000	Audited 31/12/2021 RMB'000	Change %
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	11	44,740	51,859	(14)	–	–	–
Intangible assets	9	570	664	(14)	–	–	–
Investment in a subsidiary		–	–	–	75,631	75,631	–
Investment properties	12	3,117	3,748	(17)	–	–	–
Right of use asset	10	11,883	12,248	(3)	–	–	–
Prepayments		255	45	467	–	–	–
Deferred tax asset		–	906	(100)	–	–	–
		60,565	69,470	(13)	75,631	75,631	–
<b>Current assets</b>							
Inventories		31,757	31,591	1	–	–	–
Trade and other receivables	13	55,431	63,956	(13)	37,860	38,317	(1)
Contract assets	4.4	82,419	81,105	2	–	–	–
Prepayments		3,271	7,506	(56)	61	59	3
Short term deposits		–	20,000	(100)	–	–	–
Cash and cash equivalents	15	175,748	129,678	36	16,068	10,349	55
		348,626	333,836	4	53,989	48,725	11
<b>Total assets</b>		409,191	403,306	1	129,620	124,356	4
<b>EQUITY AND LIABILITIES</b>							
<b>Current liabilities</b>							
Trade and other payables		40,795	32,431	26	12,596	12,414	1
Contract liabilities	4.4	39,795	74,029	(46)	–	–	–
Other liabilities		20,988	17,065	23	803	695	16
Income tax payable		4,310	5,853	(26)	–	–	–
		105,888	129,378	(18)	13,399	13,109	2
<b>Net current assets</b>		242,738	204,458	19	40,590	35,616	14
<b>Total liabilities</b>		105,888	129,378	(18)	13,399	13,109	2
<b>Net assets</b>		303,303	273,928	11	116,221	111,247	4
<b>Equity attributable to owners of the Company</b>							
Share capital	16	149,278	149,278	–	149,278	149,278	–
Treasury/employee benefit trust shares		(4,197)	(3,391)	24	(4,197)	(3,391)	24
Other reserves		128,640	125,817	2	(10)	(10)	–
Accumulated profits/(losses)		29,582	2,224	1230	(28,850)	(34,630)	(17)
<b>Total equity</b>		303,303	273,928	11	116,221	111,247	4
<b>Total equity and liabilities</b>		409,191	403,306	1	129,620	124,356	4

**C. Unaudited condensed statements of changes in equity  
For the year ended 31 December 2022**

**Statement of Changes in Equity**

	Attributable to owners of the Company										
	Share Capital	Treasury/ Employee benefit trust shares	Other reserves	Performance share plan reserve	(Loss)/gain on reissuance of EBT shares	Contribution from shareholder	Statutory reserve fund	Statutory reserve fund - safety production reserve	Merger reserve	Accumulated profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Group Audited</b>											
Balance at 1 January 2021	149,278	(3,021)	123,202	109	71	1,725	40,843	5,454	75,000	7,140	276,599
Loss for the year, representing total comprehensive income	—	—	—	—	—	—	—	—	—	(2,044)	(2,044)
Grant of equity-settled performance shares to employees	—	—	35	35	—	—	—	—	—	—	35
Treasury and EBT shares reissued pursuant to vesting of performance share plan	—	245	(225)	(144)	(81)	—	—	—	—	—	20
Purchase of treasury share	—	(615)	—	—	—	—	—	—	—	—	(615)
<u>Others</u>											
Transfer to statutory reserve, net	—	—	1,985	—	—	—	1,985	—	—	(1,985)	—
Transfer to statutory reserve fund, net	—	—	820	—	—	—	—	820	—	(820)	—
Transfer to staff welfare payable, net	—	—	—	—	—	—	—	—	—	(67)	(67)
<b>Balance at 31 December 2021</b>	<b>149,278</b>	<b>(3,391)</b>	<b>125,817</b>	<b>—</b>	<b>(10)</b>	<b>1,725</b>	<b>42,828</b>	<b>6,274</b>	<b>75,000</b>	<b>2,224</b>	<b>273,928</b>
<b>Group Unaudited</b>											
Balance at 1 January 2022	149,278	(3,391)	125,817	—	(10)	1,725	42,828	6,274	75,000	2,224	273,928
Profit for the year, representing total comprehensive income	—	—	—	—	—	—	—	—	—	30,247	30,247
Grant of equity-settled performance shares to employees	—	—	—	—	—	—	—	—	—	—	—
Treasury and EBT shares reissued pursuant to vesting of performance share plan	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury share	—	(806)	—	—	—	—	—	—	—	—	(806)
<u>Others</u>											
Transfer to statutory reserve, net	—	—	1,994	—	—	—	1,994	—	—	(1,994)	—
Transfer to statutory reserve fund, net	—	—	829	—	—	—	—	829	—	(829)	—
Transfer to staff welfare payable, net	—	—	—	—	—	—	—	—	—	(66)	(66)
<b>Balance at 31 December 2022</b>	<b>149,278</b>	<b>(4,197)</b>	<b>128,640</b>	<b>—</b>	<b>(10)</b>	<b>1,725</b>	<b>44,822</b>	<b>7,103</b>	<b>75,000</b>	<b>29,582</b>	<b>303,303</b>

C. Unaudited condensed statements of changes in equity (cont'd)  
For the year ended 31 December 2022

Statement of Changes in Equity (cont'd)

	Attributable to owners of the Company						
	Share capital	Treasury/Empl oyee benefit trust shares	Other reserves	(Loss)/gain on reissuance of EBT shares	Treasury shares	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Company Audited</b>							
Balance at 1 January 2021	149,278	(3,021)	180	109	71	(31,580)	114,857
Loss for the year, representing total comprehensive income for the year	–	–	–	–	–	(3,050)	(3,050)
<u>Contributions by and distribution to owners</u>							
Grant of equity-settled performance shares to employees	–	–	35	35	–	–	35
EBT shares reissued pursuant to vesting of performance share plan	–	245	(225)	(144)	(81)	–	20
Purchase of treasury share	–	(615)	–	–	–	–	(615)
<b>Balance at 31 December 2021</b>	<b>149,278</b>	<b>(3,391)</b>	<b>(10)</b>	<b>–</b>	<b>(10)</b>	<b>(34,630)</b>	<b>111,247</b>
<b>Company Unaudited</b>							
Balance at 1 January 2022	149,278	(3,391)	(10)	–	(10)	(34,630)	111,247
Profit for the year, representing total comprehensive income for the year	–	–	–	–	–	5,780	5,780
<u>Contributions by and distribution to owners</u>							
Grant of equity-settled performance shares to employees	–	–	–	–	–	–	–
EBT shares reissued pursuant to vesting of performance share plan	–	–	–	–	–	–	–
Purchase of treasury share	–	(806)	–	–	–	–	(806)
<b>Balance at 31 December 2022</b>	<b>149,278</b>	<b>(4,197)</b>	<b>(10)</b>	<b>–</b>	<b>(10)</b>	<b>(28,850)</b>	<b>116,221</b>

**D. Unaudited condensed consolidated statement of cash flows  
For the year ended 31 December 2022**

	Note	Group	
		Unaudited	Audited
		Full year ended	
		31/12/2022	31/12/2021
		RMB'000	RMB'000
<b>Operating activities</b>			
Profit/(loss) before tax		30,470	(2,380)
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	6	8,070	8,725
Depreciation of right-of-use asset	6	365	407
Depreciation of investment properties		631	581
Amortisation of intangible assets	6	397	344
Gain on disposal of property, plant and equipment	6	(98)	(73)
Impairment losses on/ (write-back of) financial assets, net	6	284	(910)
Write-off of property, plant and equipment	6	113	43
Write-back of provision on onerous contracts, net	6	–	(38)
Allowance for inventory obsolescence	6	(84)	24
Performance share plan expense	6	–	35
Unrealised exchange (gain)/loss		(253)	203
Finance costs		3	4
Finance income		(4,185)	(1,679)
<b>Operating cash flows before changes in working capital</b>		<b>35,713</b>	<b>5,286</b>
<u>Changes in working capital</u>			
Decrease/(increase) in:			
Inventories		(82)	(3,686)
Trade and other receivables		8,241	(21,174)
Contract assets		(1,314)	6,524
Prepayments		4,240	(4,859)
(Decrease)/increase in:			
Trade and other payables		8,560	3,384
Contract liabilities		(34,234)	53,938
Other liabilities and provision		3,633	1,258
Total changes in working capital		(10,956)	35,385
<b>Cash flows generated from operations</b>		<b>24,757</b>	<b>40,671</b>
Interest received		4,185	1,679
Interest paid		(3)	(4)
Income tax paid		(637)	(7)
<b>Net cash generated from operating activities</b>		<b>28,302</b>	<b>42,339</b>

**D. Unaudited condensed consolidated statement of cash flows (cont'd)**  
**For the year ended 31 December 2022**

	Note	Group	
		Unaudited	Audited
		Full year ended	
		31/12/2022	31/12/2021
		RMB'000	RMB'000
<b>Investing activities</b>			
Proceed from disposal of property, plant and equipment	11	139	97
Purchase of Intangible assets - software	9	(303)	(112)
Purchase of property, plant and equipment	11	(1,514)	(4,173)
Placement of fixed deposit		20,000	–
<b>Net cash generated from/(used in) investing activities</b>		<b>18,322</b>	<b>(4,188)</b>
<b>Financing activities</b>			
Purchase of treasury shares		(806)	(615)
Payment of principal portion of lease liabilities		–	(43)
<b>Net cash used in financing activities</b>		<b>(806)</b>	<b>(658)</b>
<b>Net increase in cash and cash equivalents</b>		<b>45,818</b>	<b>37,493</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>129,678</b>	<b>92,368</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>253</b>	<b>(183)</b>
<b>Cash and cash equivalents at end of year</b>	15	<b>175,748</b>	<b>129,678</b>



**E. Notes to the unaudited condensed consolidated financial statements  
As at and for the six months and full year ended 31 December 2022**

**1. Corporate information**

Anchun International Holdings Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

These condensed interim consolidated financial statements as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the "Group"). The principal activity of the Company is investment holding.

The principal activities of the Group are those relating to the provision of integrated chemical systems engineering and technology solutions to the petrochemical and chemical industries.

**2. Basis of preparation**

The condensed interim financial statements for the full year ended 31 December 2022 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 annual financial statements for the year ended 31 December 2021.

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

The financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000"), except when otherwise indicated.

**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.

**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.

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.

There are no significant judgements made in applying accounting policies that have a significant effect on the amounts recognised in the consolidated financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following:

- Note 4 and Note 13 - Provision for expected credit losses of trade receivables and contract assets
- Note 4 - Contracts and revenue recognition

**3. Seasonal operations**

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

**4. Segment revenue information**

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

(i) Catalyst Business

The catalyst business segment involves manufacturing of a variety of catalysts for use in the process of gas-making, ammonia synthesis and methanol synthesis.

(ii) Chemical Systems and Components ("CSC") Business

This segment involves manufacturing of chemical equipment designed by the chemical engineering and technology consultancy services department.

(iii) Chemical Engineering and Technology ("CET") Engineering Services

This segment involves providing chemical systems engineering and technology design services for the production of ammonia and methanol related products such as agriculture fertilisers and biodiesel which are mainly used in the agriculture and energy industries.

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision makers who are responsible for allocating resources and assessing performance of the operating segments.

4. Segment revenue information (cont'd)

4.1. Reportable segments

	<b>Catalyst Business</b> RMB'000	<b>CSC Business</b> RMB'000	<b>CET Engineering Services</b> RMB'000	<b>Total</b> RMB'000
<b>Group</b>				
<b>1 January 2022 to 31 December 2022</b>				
<b>Revenue</b>				
External customers	12,085	157,875	12,806	182,766
Total revenue	12,085	157,875	12,806	182,766
<b>Results:</b>				
Segment gross profit	3,662	43,217	6,598	53,477
Finance income				4,185
Other income				6,587
Impairment losses on financial assets, net				(284)
Marketing and distribution expenses				(6,263)
Administrative expenses				(20,021)
Research expenses				(7,029)
Other expenses				(179)
Finance costs				(3)
Profit before tax				30,470
<b>Other material non-cash items</b>				
Depreciation and amortisation				(9,463)
Gain on disposal of property, plant and equipment, net				98
Write-off of property, plant and equipment				113
Write-back of inventory obsolescence				84

4. Segment revenue information (cont'd)

4.1. Reportable segments (cont'd)

	<b>Catalyst Business</b> RMB'000	<b>CSC Business</b> RMB'000	<b>CET Engineering Services</b> RMB'000	<b>Total</b> RMB'000
<b>Group</b>				
<b>1 January 2021 to 31 December 2021</b>				
<b>Revenue</b>				
External customers	11,884	83,126	14,032	109,042
Total revenue	11,884	83,126	14,032	109,042
<b>Results:</b>				
Segment gross profit	4,984	17,847	8,257	31,088
Finance income				1,679
Other income				5,554
Write-back of impairment losses on financial assets, net				910
Marketing and distribution expenses				(6,558)
Administrative expenses				(21,759)
Research expenses				(13,223)
Other expenses				(67)
Finance costs				(4)
Loss before tax				(2,380)
<b>Other material non-cash items</b>				
Write-back of provision on onerous contracts, net				38
Depreciation and amortisation				(10,057)
Gain on disposal of property, plant and equipment, net				73
Write-off of property, plant and equipment				(43)
Allowance for inventory obsolescence				(24)

Geographical information

No geographical information is provided as the principal assets employed by the Group are located in the PRC and the Group's revenue and profits are derived primarily from customers in the PRC.

Information about major customers

During the financial year ended 31 December 2022, revenue from two (2021: two) major customers amount to RMB52,689,000 (2021: RMB28,365,000), arising from sales by the CSC Business, Catalyst Business and CET Engineering Services segment (2021: CSC Business, Catalyst Business and CET Engineering Services segment).

4. Segment revenue information (cont'd)

4.2. Disaggregation of Revenue

	The Group 6 months ended 31 December 2022			Total revenue RMB'000
	Catalyst business RMB'000	CSC business RMB'000	CET engineering services RMB'000	
<b>Primary geographical market</b>				
People's Republic of China	6,218	84,929	9,136	100,283
<b>Major product or service lines</b>				
Catalyst	6,218	–	–	6,218
Chemical systems and components	–	84,929	–	84,929
Engineering and design services	–	–	9,136	9,136
	6,218	84,929	9,136	100,283
<b>Timing of transfer of goods or services</b>				
At a point in time	6,218	–	–	6,218
Over time	–	84,929	9,136	94,065
	6,218	84,929	9,136	100,283

	The Group 6 months ended 31 December 2021			Total revenue RMB'000
	Catalyst business RMB'000	CSC business RMB'000	CET engineering services RMB'000	
<b>Primary geographical market</b>				
People's Republic of China	7,559	62,119	12,049	81,727
<b>Major product or service lines</b>				
Catalyst	7,559	–	–	7,559
Chemical systems and components	–	62,119	–	62,119
Engineering and design services	–	–	12,049	12,049
	7,559	62,119	12,049	81,727
<b>Timing of transfer of goods or services</b>				
At a point in time	7,559	–	–	7,559
Over time	–	62,119	12,049	74,168
	7,559	62,119	12,049	81,727

4. Segment revenue information (cont'd)

4.2. Disaggregation of Revenue (cont'd)

	The Group 12 months ended 31 December 2022			Total revenue RMB'000
	Catalyst business RMB'000	CSC business RMB'000	CET engineering services RMB'000	
<b>Primary geographical market</b>				
People's Republic of China	12,085	157,875	12,806	182,766
<b>Major product or service lines</b>				
Catalyst	12,085	–	–	12,085
Chemical systems and components	–	157,875	–	157,875
Engineering and design services	–	–	12,806	12,806
	12,085	157,875	12,806	182,766
<b>Timing of transfer of goods or services</b>				
At a point in time	12,085	–	–	12,085
Over time	–	157,875	12,806	170,681
	12,085	157,875	12,806	182,766

	The Group 12 months ended 31 December 2021			Total revenue RMB'000
	Catalyst business RMB'000	CSC business RMB'000	CET engineering services RMB'000	
<b>Primary geographical market</b>				
People's Republic of China	11,884	83,126	14,032	109,042
<b>Major product or service lines</b>				
Catalyst	11,884	–	–	11,884
Chemical systems and components	–	83,126	–	83,126
Engineering and design services	–	–	14,032	14,032
	11,884	83,126	14,032	109,042
<b>Timing of transfer of goods or services</b>				
At a point in time	11,884	–	–	11,884
Over time	–	83,126	14,032	97,158
	11,884	83,126	14,032	109,042

4. Segment revenue information (cont'd)

4.3. Judgement and methods used in estimating revenue

*Recognition of revenue from sale of chemical equipment over time*

For the sale of chemical equipment where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the chemical equipment to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for sale of chemical equipment. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the complete construction of the chemical equipment.

The estimated total construction and other related costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project engineers to make estimates of the amounts to be incurred. In making these estimates, management takes into consideration the historical trends of amounts incurred to construct other similar chemical equipment.

4.4. Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	31/12/2022 RMB'000	Group 31/12/2021 RMB'000	01/01/ 2021 RMB'000
Receivables from contracts with customers (Note 13)	19,225	14,306	20,984
Contract assets	82,419	81,105	87,629
Contract liabilities	39,795	74,029	20,091

During current financial year, the Group has recognised write back of impairment losses of RMB1,404,000 (2021: write back of impairment losses of RMB2,593,000) on receivables.

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for sale of chemical equipment.

Contract assets are transferred to receivables when the rights become unconditional. During the reporting period, the Group has recognised impairment loss on contract assets of RMB1,688,000(2021: 1,683,000). Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances received from customers for sale of chemical equipment.

Contract liabilities are recognised as revenue as the Group performs under the contract.

(i) Significant changes in contract assets are explained as follows:

	31/12/2022 RMB'000	Group 31/12/2021 RMB'000
Contract assets reclassified to receivables	58,569	44,754

(ii) Significant changes in contract liabilities are explained as follows:

	31/12/2022 RMB'000	Group 31/12/2021 RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	59,318	17,493

4. Segment revenue information (cont'd)

4.5. Transaction price allocated to remaining performance obligation

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2022 is RMB135,583,000 (2021: RMB223,594,000). The Group expects to recognise RMB101,238,000 as revenue relating to the transaction price allocated to the unsatisfied (or partially satisfied) performance obligations as at 31 December 2022 in the financial year 2023 and RMB34,345,000 in the financial year 2024.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 31 December 2021

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Group</b>				
<b><i>Financial assets</i></b>				
Trade and other receivables (excluding sales tax receivables)	55,432	63,950	37,856	38,311
Cash and bank balances	175,748	149,678	16,068	10,349
Total undiscounted financial assets	231,180	213,628	53,924	48,660
<b><i>Financial liabilities</i></b>				
Trade and other payables (excluding sales tax payables)	28,727	25,919	12,596	12,414
Other liabilities	20,988	17,065	803	695
Total undiscounted financial liabilities	49,715	42,984	13,399	13,109
Total net undiscounted financial assets	181,465	170,644	40,525	35,551



6. Profit/(Loss) before taxation

6.1. Significant items

	Group			
	6 months ended 31/12/2022	6 months ended 31/12/2021	12 months ended 31/12/2022	12 months ended 31/12/2021
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Income</u>				
Interest income on bank balances and deposits	3,770	1,191	4,185	1,679
Government grants	1,382	484	1,485	1,176
Sales of scrap materials and parts	798	410	1,479	1,340
Rental income from investment properties	896	1,270	2,059	2,340
Gain from contract penalty	37	12	169	28
Gain on disposal of property, plant and equipment, net	–	36	98	73
Net foreign exchange gain/(loss)			253	(203)
<u>Expenses</u>				
Depreciation of property, plant and equipment	1,976	2,206	8,070	8,725
Depreciation of investment properties	91	91	631	581
Depreciation of right-of-use asset	158	158	365	407
Amortisation of intangible assets	98	83	397	344
Impairment/(write-back of) losses on financial assets (net)	1,204	(233)	284	(910)
Allowance for inventory obsolescence	(84)	24	(84)	24
Write-off of property, plant and equipment	108	28	113	43
Write-back of provision on onerous contracts	–	–	–	(38)
Net foreign exchange (gain)/loss	(243)	259	(253)	203
Finance costs	1	1	3	4
Performance share plan expenses	–	–	–	35

6.2. Related party transactions

There are no significant related party transactions apart from those disclosed elsewhere in the financial statements.

7. Net Asset Value

	<u>Group</u>		<u>Company</u>	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Net asset value per share (RMB per share)	6.43	5.74	2.46	2.33

Net asset value per ordinary share as at 31 December 2022 and as at 31 December 2021 were calculated based on the existing number of shares in issue excluding EBT shares and treasury shares of 47,190,900 and 47,690,900 ordinary shares as at 31 December 2022 and 31 December 2021 respectively.

**8. Fair value of assets and liabilities**

**8.1. 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:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date **(Level 1)**;
- b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly **(Level 2)**; and
- c) Unobservable inputs for the asset or liability **(Level 3)**

The following table shows an analysis of the Group's assets not measured at fair value, for which fair value is disclosed:

		<b>Group RMB'000</b>		
		<b>Fair value measurements at the end of the reporting period using</b>		
		<b>Significant observable inputs other than quoted prices (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>	<b>Carrying amount</b>
<b>Note</b>				
	<b>31 December 2022</b>			
	<b>Investment properties</b>			
	– Xiang Kai Shi Hua Tower	9,494	–	–
	– Lufeng Road, Hi-Tech Industrial Development Zone	–	9,736	2,017
	– Lusong Road, Hi-Tech Industrial Development Zone	–	2,887	1,100
	<b>31 December 2021</b>			
	<b>Investment properties</b>			
	– Xiang Kai Shi Hua Tower	10,106	–	–
	– Lufeng Road, Hi-Tech Industrial Development Zone	–	6,829	2,162
	– Lusong Road, Hi-Tech Industrial Development Zone	–	2,827	1,586

9. Intangible assets

	Group	
	2022	2021
	RMB'000	RMB'000
<b>Cost</b>		
At 1 January	2,045	2,124
Additions	303	112
Disposal	–	(191)
At 31 December	2,348	2,045
<b>Accumulated amortisation</b>		
At 1 January	(1,381)	(1,228)
Amortisation charge for the year	(397)	(344)
Disposal	–	191
At 31 December	(1,778)	(1,381)
<b>Net carrying amount</b>		
At 31 December	570	664

Intangible assets relate to computer software purchased from vendors and have an average remaining amortisation period of 2 year (2021: 2 years). The amortisation of intangible asset is included in the "Administrative expenses" line item in the consolidated statement of comprehensive income.

10. Right-of-use assets

The Group has land use rights over three plots of state-owned land in the People's Republic of China ("PRC") where the Group's PRC manufacturing and storage facilities reside. The land use rights are not transferable.

The Group also has certain leases of dormitories with lease term of less than 12 months in which the Group applies the 'short-term lease' recognition exemptions for these leases.

10. Right-of-use assets (cont'd)

<b>Group</b>	<b>Land use rights</b> RMB'000
<b>Cost:</b>	
At 1 January 2021	18,533
De-recognition	(262)
	<hr/>
At 31 December 2021 and 1 January 2022 and 31 December 2022	18,271
De-recognition	–
	<hr/>
At 31 December 2022	18,271
	<hr/>
<b>Accumulated depreciation:</b>	
At 1 January 2021	(5,878)
Depreciation charge for the year	(407)
De-recognition	262
	<hr/>
At 31 December 2020 and 1 January 2021	(6,023)
Depreciation charge for the year	(365)
De-recognition	–
	<hr/>
At 31 December 2022	(6,388)
	<hr/>
<b>Net carrying amount:</b>	
At 31 December 2022	11,883
	<hr/>
At 31 December 2021	12,248
	<hr/>

11. Property, plant and equipment

For the year ended 31 December 2022, the Group acquired assets amounting to RMB1.1 million (31 December 2021: RMB5.4 million) and disposed of assets net book value amounting to RMB0.1 million (31 December 2021: RMB0.1 million). The transfer to investment property during the year was a net book value of Nil (31 December 2021: RMB2.6 million). Depreciation expense for the year amounted to RMB8.1 million (31 December 2021: RMB8.7 million).

**12. Investment properties**

The Group's investment properties consist of both commercial and industrial properties, held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	RMB'000	RMB'000
<b>Cost</b>		
At 1 January	17,026	10,551
Transfer from property, plant and equipment	–	6,475
At 31 December	17,026	17,026
<b>Accumulated depreciation</b>		
At 1 January	(13,278)	(8,841)
Transfer from property, plant and equipment	–	(3,856)
Depreciation charge for the year	(631)	(581)
At 31 December	(13,909)	(13,278)
<b>Net carrying amount</b>		
At 31 December	3,117	3,748
<b>Fair value</b>	22,117	19,762

**12.1 Valuation**

The fair value of investment property in Xiang Kai Shi Hua Tower is determined based on comparable market transactions that consider the sales of similar properties that have been transacted in the open market.

The fair value of investment properties in Lufeng Road and Lusong Road is determined based on discounted cash flows method. Fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life. This method involves the projection of a series of cash flows on an investment property. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews and lease renewal. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is estimated as gross cash flow less maintenance cost and other operating and management expenses. The series of periodic net operating cash flow is then discounted. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum, and an opposite change in the long-term vacancy rate and discount rate.

12. Investment properties (cont'd)

12.1 Valuation (cont'd)

The investment properties held by the Group as at 31 December 2022 and 31 December 2021 are as follows:

Description and location	Existing Use	Tenure of land	Unexpired lease term
10 <sup>th</sup> floor, Xiang Kai Shi Hua Tower, Changsha, PRC	Offices	Leasehold, 50 years lease from 2 August 1999	27 years (2021: 28 years)
No. 65, Lufeng Road, Hi-Tech Industrial Development Zone, Changsha, PRC	Manufacturing	Leasehold, 50 years lease from 16 August 2002	30 years (2021: 31 years)
No. 539, Lusong Road, Hi-Tech Industrial Development Zone, Changsha, PRC	Manufacturing	Leasehold, 50 years lease from 28 February 2007	34 years (2021: 35 years)

13. Trade and other receivables

13.1. Trade and other receivables

	Group		Company	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Trade receivables	19,225	14,306	–	–
Bills receivable	32,265	47,871	–	–
VAT/GST receivables	4	6	4	6
Amount due from a subsidiary (non-trade)	–	–	37,856	38,311
Other receivables	3,937	1,773	–	–
<b>Total trade and other receivables</b>	<b>55,431</b>	<b>63,956</b>	<b>37,860</b>	<b>38,317</b>
Add:				
Contract assets	82,419	81,105	–	–
Cash and bank balances	175,748	149,678	16,068	10,349
Less:				
VAT/GST receivables	(4)	(6)	(4)	(6)
<b>Total financial assets carried at amortised cost</b>	<b>313,594</b>	<b>294,733</b>	<b>53,924</b>	<b>48,660</b>

13. Trade and other receivables (cont'd)

13.2. Expected credit losses

The movement in allowance for expected credit losses of trade receivables and contract assets computed based on lifetime ECL are as follow:

	Group			
	Trade receivables	Contract assets	Trade receivables	Contract assets
	31/12/2022 RMB'000	31/12/2022 RMB'000	31/12/2021 RMB'000	31/12/2021 RMB'000
Movements in the allowance accounts:				
At beginning of financial year	26,349	8,658	29,278	6,975
(Reversal)/charge for the year	(1,404)	1,688	(2,593)	1,683
Written-off	(429)	–	(336)	–
At end of financial year	24,516	10,346	26,349	8,658

14. Borrowings

The Group has no outstanding borrowings and debt securities as at 31 December 2022 (31 December 2021: Nil).

15. Cash and cash equivalents

	Group		Company	
	31/12/ 2022 RMB'000	31/12/2021 RMB'000	31/12/2022 RMB'000	31/12/2021 RMB'000
Cash at banks and on hand	157,733	120,321	2,857	3,251
Short-term deposits	18,015	9,357	13,211	7,098
Total	175,748	129,678	16,068	10,349

**Cash at banks**

Cash at banks earns interest at floating rates based on daily bank deposit rates.

**Short-term deposits**

Short-term deposits are placed for varying periods between one to three months (2021: one to three months) and earned interests at the respective short-term deposit rates.

**16. Share capital**

Ordinary shares

	<b>Number of Shares</b>	<b>Amount RMB'000</b>
Ordinary shares including employee benefit trust ("EBT") shares & treasury shares as at 31 December 2022 and 31 December 2021	50,500,000	149,278

Convertibles

The Company did not have outstanding options, convertibles or subsidiary holdings as at 31 December 2022 and 31 December 2021.

EBT shares

The Company has no EBT shares as at 31 December 2022. (31 December 2021: Nil).

Treasury shares

The Company has 3,309,100 treasury shares (approximately 6.55% of the total number of issued shares) as at 31 December 2022 (31 December 2021: 2,809,100).

**17. Earnings per share**

Basic earnings per share are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit for the year, net of tax, attributable to owners 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.



**17. Earnings per share (cont'd)**

The following tables reflect the loss and share data used in the computation of basic and diluted losses per share for the periods ended 31 December:

	Group			
	Second half year ended		Full year ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Profit/(Loss) for the period/year attributable to owners of the Company used in the computation of basic and diluted loss per share	23,314	7,586	30,247	(2,044)
Weighted average number of ordinary shares for basic earnings per share computation ('000) #	47,597	48,117	47,644	48,149
Effects of dilution of share awards ('000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	47,989	48,117	47,840	48,149
Basic earnings per share (RMB cents)	48.98	15.77	63.49	(4.25)
Diluted earnings per share (RMB cents)	48.98	15.77	63.49	(4.25)

# The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury and EBT shares transactions during the period/year.

As at 31 December 2022, no treasury shares and EBT shares are granted to employees under the Performance Share Plan 2014. (2021: Nil)

**F. Other information required by Listing Rule Appendix 7.2  
For the six months and full year ended 31 December 2021**

**1. Review**

The condensed consolidated statement of financial position of the Group 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 current financial period/year then ended and certain explanatory notes have not been audited or reviewed.

**2. Review of performance of the Group**

**A) Income Statements**

**Revenue**

**FY2022 VS FY2021**

Revenue increased by RMB73.8 million or 68% from RMB109.0 million in FY2021 to RMB182.8 million in FY2022. The increase was mainly due to the increase of revenue from CSC business and Catalyst business, further described as follows:

2. Review of performance of the Group (cont'd)

A) Income Statements (cont'd)

**Revenue(cont'd)**

*Revenue from our Catalyst Business*

Revenue from our Catalyst Business increased by RMB0.2 million or 2% from RMB11.9 million in FY2021 to RMB12.1 million in FY2022. This was mainly due to increase of order volume from the catalyst processing business.

*Revenue from our Engineering Services*

Revenue from our Engineering Services decreased by RMB1.2 million or 9% from RMB14.0 million in FY2021 to RMB12.8 million in FY2022 mainly due to lower percentage of completion for service contracts.

*Revenue from our CSC Business*

Revenue from our CSC Business increased by RMB74.8 million or 90% from RMB83.1 million in FY2021 to RMB157.9 million in FY2022. The increase was due to higher percentage of completion for CSC contracts and increase in number of contracts for FY2022.

2H2022 vs 2H2021

The Group's revenue increased by RMB18.6 million or 23% from RMB81.7 million in 2H2021 to RMB100.3 million in 2H2022. This was mainly due to increase in number of contracts and higher percentage of completion for CSC business of RMB22.8 million; partially offset by the decrease of revenue from Catalyst business of RMB1.3 million and Engineering services of RMB2.9 million.

**Gross profit and gross profit margin**

FY2022 VS FY2021

Our overall gross profit increased by RMB22.4 million or 72% from RMB31.1 million in FY2021 to RMB53.5 million in FY2022 and the gross profit margin for FY2021 was consistent with FY2022.

2H2022 vs 2H2021

Overall gross profit increased by RMB8.4 million or 33% from RMB25.5 million in 2H2021 to RMB33.9 million in 2H2022 and our gross profit margin increased from 31% in 2H2021 to 34% in 2H2022.

The fluctuations in the overall gross profit were mainly due to the following:

- 1) Gross profit of Catalyst business decreased by RMB1.5 million from RMB3.7 million in 2H2021 to RMB2.2 million in 2H2022 mainly attributable to decrease of revenue from catalyst processing business in 2H2021. The gross profit margin decreased from 50% in 2H2021 to 28% in 2H2022 mainly due to lower margin from the sale of patented hydrocarbon catalysts in 2H2021.
- 2) Gross profit of CSC business increased by RMB12.2 million from RMB14.3 million in 2H2021 to RMB26.5 million in 2H2022 mainly attributable to higher percentage of completion for CSC contracts higher margin contribution from EPC and the decrease in allowance for inventory obsolescence amounting to RMB3.8 million. In terms of percentage, the gross profit margin increased by 9% from 23% in 2H2021 to 32% in 2H2022.
- 3) Gross profit of engineering design decreased by RMB2.3 million from RMB7.5 million in 2H2021 to RMB5.2 million in 2H2022. The gross profit margin decreased by 7% from 63% in 2H2021 to 56% in 2H2022 mainly attributable to lower percentage of completion for Engineering Services contracts and decrease in number of contracts in progress during the 2H2022.

2. Review of performance of the Group (cont'd)

A) Income Statements (cont'd)

**Finance and other income**

FY2022 VS FY2021

Finance and other income increased by RMB3.5 million or 49% from RMB7.2 million in FY2021 to RMB10.7 million in FY2022. The increase was mainly due to the increase of interest income on bank balances and deposits of RMB2.5 million, government grants of RMB0.3 million, net foreign exchange gain of RMB0.4 million and other income of RMB0.3 million.

2H2022 vs 2H2021

Finance and other income increased by RMB4.1 million or 111% from RMB3.7 million in 2H2021 to RMB7.8 million in 2H2022. The increase was mainly due to the increase of interest income on bank balances and deposits of RMB2.6 million, government grants of RMB0.9 million, net foreign exchange gain of RMB0.4 million and other income of RMB0.2 million.

**Marketing and distribution expenses**

FY2022 vs FY2021

Marketing and distribution expenses decreased RMB0.3 million or 4% from RMB6.6 million in FY2021 to RMB6.3 million in FY2022. The decrease was mainly attributable to decrease of travelling expenses of RMB0.2 million and decrease of transportation expenses of RMB0.1 million.

2H2022 vs 2H2021

Marketing and distribution expenses decreased by RMB0.7 million or 16% from RMB4.2 million in FY2021 to RMB3.5 million in FY2022. The decrease was mainly attributable to decrease of sales staff's salary and bonus of RMB0.6 and decrease of transportation expenses of RMB0.1 million.

2. Review of performance of the Group (cont'd)

A) Income Statements (cont'd)

Administrative expenses

FY2022 vs FY2021

Administrative expenses decreased by RMB1.7 million or 8% from RMB21.7 million in FY2021 to RMB20.0 million in FY2022. The decrease is analysed in the table below:-

Item by nature	FY2022	FY2021	FY2022 vs. FY2021 (Change)		Comments
	RMB'000	RMB'000	RMB'000	%	
Unallocated manufacturing overheads allocated in administrative expenses	2,651	5,810	(3,159)	(54)	The decrease is due to higher production volumes resulting in lower unallocated manufacturing overhead recorded under administrative expenses in FY2022 over FY2021.
Salaries, bonuses and fees	6,879	5,173	1,706	33	Include salaries of executive directors and heads of department deployed in administrative functions. Increase due to higher provision of bonuses in FY2022.
Factory repair and maintenance	70	975	(905)	(93)	Decrease of repair and maintenance cost incurred for factory and investment property.
Staff welfare expenses	1,517	1,095	422	39	Company provides lunches to employees at its cafeteria to boost morale due to more orders received and tight delivery schedules.
Property lease fees	264	461	(197)	(43)	Decrease of property lease cost incurred for vehicles usage.
Other expenses	8,640	8,245	395	5	Other expenses are an aggregation of expenses of less than RMB0.1 million each. It includes environmental maintenance fees, labor union fees, education expenses, etc.
<b>Total</b>	<b>20,021</b>	<b>21,759</b>	<b>(1,738)</b>	<b>(8)</b>	

2. Review of performance of the Group (cont'd)

A) Income Statements (cont'd)

Administrative expenses (cont'd)

2H2022 vs 2H2021

Administrative expenses increased by RMB0.7 million or 7% from RMB10 million in 2H2021 to RMB10.7 million in 2H2022 as explained below:

Item by nature	2H2022	2H2021	2H2022vs.2H2021 (Change)		Comments
	RMB'000	RMB'000	RMB'000	%	
Unallocated manufacturing overheads allocated in administrative expenses	1,509	1,858	(349)	(19)	The decrease is due to higher production volumes resulting in lower unallocated manufacturing overhead recorded under administrative expenses in 2H2022 over 2H2021.
Factory repair and maintenance	39	215	(176)	(82)	Decrease of repair and maintenance cost incurred for factory and investment property.
Salaries, bonuses and fees	3,445	3,003	442	15	Include salaries of executive directors and heads of department deployed in administrative functions. Increase due to higher provision of bonuses in 2H2022.
Property lease fees	60	221	(161)	(73)	Decrease of property lease cost incurred for vehicles usage.
Staff welfare expenses	832	553	279	50	Company provides lunches to employees at its cafeteria to boost morale due to more orders received and tight delivery schedules.
Professional fees	970	668	302	45	Increase due to higher provision of professional fees in 2H2022.
Other expenses	3,844	3,447	397	12	Other expenses are an aggregation of expenses of less than RMB0.1 million each. It includes environmental maintenance fees, labor union fees, education expenses, etc.
<b>Total</b>	<b>10,699</b>	<b>9,965</b>	<b>734</b>	<b>7</b>	

**2. Review of performance of the Group (cont'd)**

**A) Income Statements (cont'd)**

**Research expenses**

FY2022 vs FY2021

Research expenses decreased by RMB6.2 million or 47% from RMB13.2 million in FY2021 to RMB7.0 million in FY2022. This was mainly attributable to lower expenses incurred on new structural design for internal vessel of CO shift reactor improvement efforts.

2H2022 vs 2H2021

Research expenses decreased by RMB4.2 million or 45% from RMB9.3 million in 2H2021 to RMB5.1 million in 2H2022. This was mainly attributable to lower expenses incurred on new structural design for internal vessel of CO shift reactor improvement efforts.

**Income tax expenses**

FY2022 vs FY2021

Income tax expenses increased by RMB0.56 million from income tax credit of RMB0.34 million in FY2021 to income tax expenses of RMB0.22 million in FY2022 mainly due to income tax refund of RMB 1.1 million in previous year, the provision of withholding income tax for dividend of RMB0.4 million and the profits reported by the Group's subsidiary of RMB0.9 million in FY2022.

2H2022 vs 2H2021

Tax credit income decreased by RMB0.04 million from RMB0.34 million in 2H2021 to RMB0.30 million in 2H2022 mainly due to increase of income tax refund received in previous year.

**Net profit attributable to owners of the Company**

FY2022 vs FY2021

The net profit attributable to owners of the Company increased by RMB32.2 million from a net loss of RMB2.0 million in FY2021 to net profit of RMB30.2 million in FY2022 as explained above.

2H2022 vs 2H2021

The net profit attributable to owners of the Company increased by RMB15.7 million from a net profit of RMB 7.6 million in 2H2021 to net profit of RMB 23.3 million in 2H2022 as explained above.

**B) Balance Sheet Statements**

**Non-current assets**

Non-current assets decreased by RMB8.9 million or 13% from RMB69.5 million as at 31 December 2021 to RMB60.6 million as at 31 December 2022. Non-current assets comprised property, plant and equipment, investment property, intangible assets, right of use asset, deferred tax assets and prepayments.

Property, plant and equipment decreased by RMB7.2 million or 14% from RMB51.9 million as at 31 December 2021 to RMB44.7 million as at 31 December 2022, mainly due to depreciation charges of RMB8.1 million. The decrease was partially offset by additions during the year.

2. Review of performance of the Group (cont'd)

B) Balance Sheet Statements(cont'd)

Current assets

Current assets increased by RMB14.8 million or 4% from RMB333.8million as at 31 December 2021 to RMB348.6 million as at 31 December 2022. The increase was mainly due to the following:

- a) The increase in inventories of RMB0.2 million was mainly due to increase in goods-in-transit and raw materials purchased for CSC business contract orders;
- b) The increase in trade and other receivables of RMB7.1 million was due to increase of contractual milestone billings;
- c) The increase in contract assets of RMB1.3 million was due to increase in number of on-going contracts during the year and a higher percentage of completion on these contracts, for which contractual milestone billings have not been reached.
- d) The decrease in bills receivable of RMB15.6 million is due to settlement of outstanding bills receivable and amounts being transferred to cash and bank equivalents.
- e) The decrease in prepayments of RMB4.2 million was mainly due to decrease in payment made to the vendors for raw materials purchase.
- f) The increase in cash and bank equivalents of RMB46.1 million was due to increase of cash flow from operating activities of RMB28.3 million and cash flow from investing activities of RMB18.3 million offset by purchase of treasury shares of RMB0.8 million.

The breakdown and aging of items of trade and other receivables are as follows:

Item by nature	31/12/2022 RMB'000	< 6 months RMB'000	6-12 months RMB'000	1-2years RMB'000	>2years RMB'000
<b>Trade Receivables</b>					
Receivables from sales	43,741	9,631	10,489	5,385	18,236
Less: Impairment losses on trade receivables(net)	(24,516)	(1,877)	(2,043)	(2,804)	(17,792)
<b>Sub-total</b>	<b>19,225</b>	<b>7,754</b>	<b>8,446</b>	<b>2,581</b>	<b>444</b>
<b>Other Receivables</b>					
A. Bills receivable	32,265	29,665	2,600	—	—
B. Operation cash advances	2,496	2,496	—	—	—
C. Bid bonds	1,441	1,441	—	—	—
D. GST receivables	4	4	—	—	—
<b>Total</b>	<b>55,431</b>	<b>41,360</b>	<b>11,046</b>	<b>2,581</b>	<b>444</b>

**2. Review of performance of the Group (cont'd)**

**B) Balance Sheet Statements(cont'd)**

**Current liabilities**

Current liabilities decreased by RMB23.5 million or 18% from RMB129.4 million as at 31 December 2021 to RMB105.9 million as at 31 December 2022.

- a) The decrease in contract liabilities of RMB34.2 million was due to less advance received from customers at year end and contract liabilities recognised as revenue as the Group performs under the contract according to the Group's revenue recognition policy.
- b) The increase in trade and other payables of RMB9.0 million was due to the increase of VAT payables for a subsidiary.
- c) The increase in other liabilities of RMB3.9 million were mainly due to increase in provision of staff bonuses.
- d) The decrease in income tax payable of RMB2.1 million was due to payment of RMB 1.0 million during the year as well as tax refund of RMB 1.1 million received during the year for prior year.

**C) Cash Flow Statements**

**FY2022**

Cash and cash equivalents increased by RMB46.1 million in FY2022, which was mainly attributed to cash generated from operating activities of RMB28.3 million, net cash generated from investing activities of RMB18.3 million and cash used in financing activities of RMB0.8 million.

**2H2021**

Cash and cash equivalents increased by RMB26.4 million in 2H2022, which was mainly attributed to cash generated from operating activities of RMB7.5 million, net cash generated from investing activities of RMB19.7 million and cash used in financing activities of RMB0.8 million.

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

The Company has not previously disclosed to shareholders any forecast or prospect statement.



**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.**

The Group has continued its efforts to diversify into non-fertiliser industries, which has resulted in revenue of RMB165.4 million for the FY2022 representing 90.5% (RMB99.8 million for the FY2021 representing 91.5%) of total revenue. The Group will continue to remain vigilant over its costs structure and continue its research.

The Group's order book as of 31 December 2022 was approximately RMB136.3 million (31 December 2021: RMB223.6 million) out of which of RMB114.5 million (31 December 2021: RMB182.8 million) is from non-fertiliser industries.

The Group's integrated strengths in engineering design, equipment manufacture, catalyst and technological capabilities will continue to drive sustainable growth. With the accelerated pace of the energy transformation and shift in the energy consumption structure, green ammonia, green methanol and green hydrogen are set to become increasingly popular. We will continue to build upon our R&D efforts as we explore new areas of uses and applications for our various patented technologies to bring solutions that have increasing relevance in the world today.

**5. Dividend information**

**(a) Current financial period reported on**

There is no FY2022 interim dividend paid in the current financial year.

The final dividend declared for the current financial year FY 2022 is as follows:

Name of dividend	FY 2022 Final Dividend (proposed)
Dividend type	Cash
Dividend rate	RMB\$0.12 per share
Tax rate	Tax-exempt (one-tier)

**(b) Corresponding period of the immediately preceding financial year**

The Company did not recommend or declare any dividend for the financial year ended 31 December 2021.

**(c) Date payable**

To be announced in due course.

**(d) Books closure date**

To be announced in due course.

**6. Interested person transactions**

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

**7. 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.

**8. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder**

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**CONFIRMATION BY THE BOARD**

Pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, 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 financial statements for twelve months period ended 31 December 2022 to be false or misleading in any material aspect. On behalf of the Board of Directors.

[Signed]

[Signed]

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Zheng, ZhiZhong

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Dai, FengYu

Executive Director and Chief Executive Officer

Executive Director

Singapore  
28 February 2023