

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).

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

	The Group			Note	The Group		
	3 months ended		+/-		9 months ended		+/-
	30 September				30 September		
	2022	2021	%	2022	2021	%	
	RMB'000	RMB'000			RMB'000	RMB'000	
Revenue	1,295,947	1,247,384	3.9	4.2	3,476,812	3,345,784	3.9
Cost of sales	(1,243,160)	(1,138,938)	10.1		(3,322,619)	(2,927,586)	13.5
Gross profit	52,787	118,446	(55.4)		154,193	418,198	(63.1)
Other income	6,363	1,296	391.1		10,575	7,465	41.7
Distribution costs	(4)	(15)	(76.0)		(33)	(45)	(26.7)
Administrative costs	(5,695)	(6,304)	(9.7)		(18,826)	(18,198)	3.5
Other operating expense	(196)	(13)	1,430.5		(271)	(378)	(28.3)
Finance costs	(11,564)	(13,462)	(14.1)		(36,635)	(35,827)	2.3
Profit before taxation	41,691	99,948	(58.3)	5	109,003	371,215	(70.6)
Income tax expense	(16,807)	(24,809)	(32.3)	6	(40,494)	(93,320)	(56.6)
Total comprehensive profit for the period	24,884	75,139	(66.9)		68,509	277,895	(75.3)
Attributable to:							
Equity holders of the Company	24,844	58,853			39,057	215,703	
Non-controlling interests	-	16,286			29,452	62,192	
	24,844	75,139			68,509	277,895	
Earnings per share attributable to equity holders of the Company (RMB cents per share)							
Basic	3.89	9.20			6.10	33.70	
Diluted	3.89	9.20			6.10	33.70	

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		30 September 2022 RMB'000	31 December 2021 RMB'000	30 September 2022 RMB'000	31 December 2021 RMB'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment		1,659,807	1,744,144	-	-
Right-of-use assets		4,002	4,002	-	-
Land use rights		89,839	90,547	-	-
Goodwill on consolidation	8	10,345	10,345	-	-
Investment in subsidiary corporations		-	-	250,041	250,041
Financial asset, at fair value through other comprehensive income	9	79,761	79,761	-	-
		<u>1,843,754</u>	<u>1,928,799</u>	<u>250,041</u>	<u>250,041</u>
CURRENT ASSETS					
Land use rights		1,085	1,088	-	-
Inventories	10	259,452	258,811	-	-
Trade and other receivables	11	33,771	54,335	-	-
Amount owing by a subsidiary corporation	11	-	-	8,038	7,487
Amounts owing by affiliated companies	11	129	12,404	-	-
Prepayments	12	9,358	2,983	-	-
Cash and bank balances		587,349	702,615	970	1,828
		<u>891,144</u>	<u>1,032,236</u>	<u>9,009</u>	<u>9,315</u>
TOTAL ASSETS		<u>2,734,898</u>	<u>2,961,035</u>	<u>259,049</u>	<u>259,356</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)		545,965	525,368	(57,868)	(58,934)
Fair value reserves		34,517	34,517	-	-
Capital reserves		250,000	250,000	-	-
Other reserves		122,554	122,576	-	-
		<u>1,269,161</u>	<u>1,248,586</u>	<u>258,257</u>	<u>257,191</u>
Non-controlling interests		297,323	267,871	-	-
TOTAL EQUITY		<u>1,566,484</u>	<u>1,516,457</u>	<u>258,257</u>	<u>257,191</u>
LIABILITIES					
NON-CURRENT LIABILITIES					
Loans from non-controlling interest	14	300,000	450,000	-	-
Bank borrowings	14	390,000	420,000	-	-
Lease liabilities		3,911	3,911	-	-
		<u>693,911</u>	<u>873,911</u>	<u>-</u>	<u>-</u>
CURRENT LIABILITIES					
Loan from non-controlling interests	14	200,000	175,000	-	-
Bank borrowings	14	60,000	60,000	-	-
Lease liabilities		497	497	-	-
Trade and other payables	15	194,357	169,833	792	2,165
Amounts owing to affiliated companies	15	1,822	151,819	-	-
Current tax payable		17,827	13,518	-	-
		<u>474,503</u>	<u>570,677</u>	<u>792</u>	<u>2,165</u>
TOTAL EQUITY AND LIABILITIES		<u>2,734,898</u>	<u>2,961,035</u>	<u>259,049</u>	<u>259,356</u>

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY - GROUP

	Share capital RMB'000	Retained earnings RMB'000	Fair value reserve RMB'000	Capital reserve RMB'000	Other reserves			Equity attributable to owners RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
					Statutory common reserve RMB'000	Voluntary Common reserve RMB'000	Sub-total RMB'000			
1 January 2022 to 30 September 2022										
Balance as at 1 January 2022	316,125	525,368	34,517	250,000	121,779	797	122,576	1,248,586	267,871	1,516,457
Total comprehensive income for the period	-	39,057	-	-	-	-	-	39,057	29,452	68,509
Dividend paid for the period	-	(18,482)	-	-	-	-	-	(18,482)	-	(18,482)
Transfer to statutory common reserve	-	22	-	-	(22)	-	(22)	-	-	-
Balance as at 30 September 2022	316,125	545,965	34,517	250,000	121,757	797	122,554	1,269,161	297,323	1,566,484

	Share capital RMB'000	Retained earnings RMB'000	Fair value reserve RMB'000	Capital reserve RMB'000	Other reserves			Equity attributable to owners RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
					Statutory common reserve RMB'000	Voluntary Common reserve RMB'000	Sub-total RMB'000			
1 January 2021 to 30 September 2021										
Balance as at 1 January 2021	316,125	334,224	34,517	250,000	91,009	797	91,806	1,026,672	197,976	1,224,648
Total comprehensive income for the period	-	215,703	-	-	-	-	-	215,703	62,192	277,895
Dividend paid for the period	-	(15,509)	-	-	-	-	-	(15,509)	-	(15,509)
Transfer to statutory common reserve	-	(527)	-	-	527	-	527	-	-	-
Balance as at 30 September 2021	316,125	533,891	34,517	250,000	91,536	797	92,333	1,226,866	260,168	1,487,034

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

	Share capital RMB'000	Accumulated losses RMB'000	Total equity RMB'000
1 January 2022 to 30 September 2022			
Balance as at 1 January 2022	316,125	(58,934)	257,191
Total comprehensive income for the period	-	19,548	19,548
Dividend paid	-	(18,482)	(18,482)
Balance as at 30 September 2022	<u>316,125</u>	<u>(57,868)</u>	<u>258,257</u>

	Share capital RMB'000	Accumulated losses RMB'000	Total equity RMB'000
1 January 2021 to 30 September 2021			
Balance as at 1 January 2021	316,125	(58,684)	257,441
Total comprehensive income for the period	-	17,209	17,209
Dividend paid	-	(15,509)	(15,509)
Balance as at 30 September 2021	<u>316,125</u>	<u>(56,984)</u>	<u>259,141</u>

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group	
	9 months ended 30 September	
	2022	2021
	RMB'000	RMB'000
Cash flows from operating activities		
Profit for the period	109,003	371,215
Adjustments for:-		
Depreciation of property, plant and equipment	122,151	106,683
Amortisation of land use rights	851	816
Loss on disposal of property, plant and equipment	-	20
Property, plant and equipment written off	88	-
Interest expense	36,635	35,827
Interest income	(6,020)	(4,157)
Operating profit before working capital changes	<u>262,708</u>	<u>510,404</u>
Changes in working capital:		
Change in inventories	(641)	(39,537)
Change in amount owing by/(to) affiliated companies	(137,722)	(2,718)
Change in operating receivables	14,189	(10,310)
Change in operating payables	24,524	77,553
Cash generated from operations	<u>163,058</u>	<u>535,392</u>
Income tax paid	(36,185)	(109,427)
Net cash generated from operating activities	<u>126,873</u>	<u>425,965</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(39,091)	(52,742)
Proceeds from sales of property, plant and equipment	1,189	73
Acquisition of land use rights	(140)	(270)
Change in amount owing to non-controlling interest	-	-
Interest received	6,020	4,157
Net cash used in investing activities	<u>(32,022)</u>	<u>(48,782)</u>
Cash flows from financing activity		
Dividend paid	(18,482)	(15,509)
Repayment of loan to non-controlling interests	(125,000)	(60,000)
Proceeds from bank borrowings	-	-
Repayment of bank borrowings	(30,000)	(41,250)
Interest paid	(36,635)	(35,827)
Net cash used in financing activities	<u>(210,117)</u>	<u>(152,586)</u>
Net increase in cash and cash equivalents	(115,266)	224,597
Cash and cash equivalents at beginning of period	<u>702,615</u>	<u>352,035</u>
Cash and cash equivalents at end of period	<u>587,349</u>	<u>576,632</u>

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

Cash on hand	59	68
Bank balances	587,290	576,564
	<u>587,349</u>	<u>576,632</u>

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 nine months ended 30 September 2021 comprise the Company and its subsidiaries (collectively, “the Group”).

2. Basis of Preparation

The condensed interim financial statements for the nine months ended 30 September 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 interim 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 condensed interim financial statements are presented in Chinese Renminbi dollar which is the functional currency of the Company and have been rounded to the nearest thousand (“RMB’000”).

2.1. New and amended standards adopted by the Group

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

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

2.2. Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is the useful lives of property, plant and equipment. The costs of property, plant and equipment are depreciated using the straight-line to allocate the depreciable amount over the estimated useful life. The useful lives of these assets are estimated by the management using common life expectancies applied in the industry and country of operations. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, thus affecting the depreciation charges of property, plant and equipment.

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

3. Seasonal operations

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

4. Segment and revenue information

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

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

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

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

4. Segment and revenue information (Cont'd)

4.1. Reportable segments

	The Group 9 months ended 30 September 2022		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
Revenue			
External customers	3,278,079	198,733	3,476,812
Inter-segment sales	1,162,322	2,775	1,165,097
Total revenue	<u>4,440,401</u>	<u>201,508</u>	<u>4,641,909</u>
Segment assets	<u>2,110,361</u>	<u>25,724</u>	<u>2,136,085</u>
Segment liabilities	<u>24,764</u>	<u>13,922</u>	<u>38,686</u>
Results			
Segment results	<u>137,097</u>	<u>15,942</u>	<u>153,039</u>
Unallocated expenses			
Unallocated corporate expenses			(13,421)
Profit from operations			139,618
Finance income			6,020
Finance cost			(36,635)
Profit before tax			109,003
Tax expense			(40,494)
Profit after tax			<u>68,509</u>
Segments assets for reportable segments			2,136,085
Other assets			
Unallocated			
Amounts owing by affiliated companies			129
Cash and cash equivalents			587,349
Other receivables			990
Goodwill on consolidation			10,345
			<u>2,734,898</u>
Segments liabilities for reportable segments			38,686
Other liabilities			
Unallocated			
Other payables			160,079
Amounts owing to affiliated companies			1,822
Bank borrowings			450,000
Loan from non-controlling interest			500,000
Current tax payable			17,827
			<u>1,168,414</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 9 months ended 30 September 2021		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
Revenue			
External customers	3,166,404	179,380	3,345,784
Inter-segment sales	950,965	32	950,997
Total revenue	<u>4,117,369</u>	<u>179,412</u>	<u>4,296,781</u>
Segment assets	<u>2,240,009</u>	<u>44,546</u>	<u>2,284,555</u>
Segment liabilities	<u>50,276</u>	<u>3,650</u>	<u>53,926</u>
Results			
Segment results	<u>396,144</u>	<u>20,971</u>	<u>417,115</u>
Unallocated expenses			
Unallocated corporate expenses			(14,230)
Profit from operations			402,885
Finance income			4,157
Finance cost			(35,827)
Profit before tax			371,215
Tax expense			(93,320)
Profit after tax			<u>277,895</u>
Segments assets for reportable segments			2,284,555
Other assets			
Unallocated			
Amounts owing by affiliated companies			131
Cash and cash equivalents			576,632
Other receivables			1,572
Goodwill on consolidation			10,345
			<u>2,873,235</u>
Segments liabilities for reportable segments			53,926
Other liabilities			
Unallocated			
Other payables			170,439
Amounts owing to affiliated companies			1,819
Bank borrowings			490,000
Loan from non-controlling interest			645,000
Current tax payable			25,017
			<u>1,386,201</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 9 months ended 30 September 2022		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
People's Republic of China			
Liquefied petroleum gas	387,683	-	387,683
Polypropylene	154,957	-	154,957
Premium grade polypropylene	902,282	-	902,282
Methyl Tert-Butyl Ether ("MTBE")	1,571,087	-	1,571,087
Propylene II	493	-	493
Hydrogen	134,086	-	134,086
Isobutylene	105,596	-	105,596
Other Gas	21,895	-	21,895
Transport and logistic services	-	198,733	198,733
	3,278,079	198,733	3,476,812

	The Group 9 months ended 30 September 2021		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
People's Republic of China			
Liquefied petroleum gas	392,852	-	392,852
Propylene	82,883	-	82,883
Polypropylene	226,067	-	226,067
Premium grade polypropylene	756,406	-	756,406
Methyl Tert-Butyl Ether ("MTBE")	1,297,735	-	1,297,735
Propylene II	124,972	-	124,972
Hydrogen	151,807	-	151,807
Isobutylene	115,747	-	115,747
Other Gas	17,935	-	17,935
Transport and logistic services	-	179,380	179,380
	3,166,404	179,380	3,345,784

5. Profit before taxation

Significant items

	The Group	
	9 months ended 30 September 2022 RMB'000	9 months ended 30 September 2021 RMB'000
Interest income	6,020	4,157
Expenses:		
Interest on borrowings	36,635	35,827
Depreciation of property, plant and equipment	122,151	106,683
Amortisation of land use rights	851	816
Loss on disposal of property, plant and equipment	-	20
Property, plant and equipment written off	88	-

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

6. Income tax expense

The Group calculates the financial period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group	
	9 months ended 30 September 2022 RMB'000	9 months ended 30 September 2021 RMB'000
Current income tax expense		
- Profit for the financial period	39,959	92,417
- Under provision in prior financial periods	535	903
	40,494	93,320

7. Property, plant and equipment

During the nine months ended 30 September 2022, the Group acquired assets amounting to RMB39,091,000 (30 September 2021: RMB52,742,000) and disposed of assets with net carrying value amounting to RMB1,189,000 (30 September 2021: RMB93,000).

8. Goodwill arising on consolidation

	The Group	
	30 September 2022 RMB'000	31 December 2021 RMB'000
Cost and carrying amount		
Beginning and end of financial 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	
	30 September 2022 RMB'000	31 December 2021 RMB'000
Dongming Changshun Transport Company Limited (东明县昌顺运输有限公司)	2,501	2,501
Dongming Qianhai Petrochemical Co., Ltd. (东明前海化工有限公司)	7,844	7,844
	10,345	10,345

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% (2021: 3%). These cash flows were discounted using a pre-tax discount rate of 10% (2021: 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.

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

8. Goodwill arising on consolidation (Cont'd)

8.1. Goodwill impairment (Cont'd)

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

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

9. Financial assets at fair value through other comprehensive income

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

	The Group	
	30 September 2022 RMB'000	31 December 2021 RMB'000
Equity security (unquoted)		
- Dongming Qianhai Reli Co., Ltd. (东明前海热力有限公司)		
Beginning of financial period	79,761	79,761
Fair value gains recognised in other comprehensive income	-	-
End of financial year	<u>79,761</u>	<u>79,761</u>

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

9.1. Fair value measurement

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

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

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

	Level 3 RMB'000
30 September 2022	
Financial assets, at FVOCI	<u>79,761</u>
31 December 2021	
Financial assets, at FVOCI	<u>79,761</u>

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

10. Inventories

	The Group		The Company	
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
At cost				
Consumables	12,240	76,155	-	-
Raw materials	48,526	79,481	-	-
Finished goods	198,686	103,175	-	-
	<u>259,452</u>	<u>258,811</u>	<u>-</u>	<u>-</u>

11. Trade and other receivables

	The Group		The Company	
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables				
– Non-related parties	23,015	26,053	-	-
Other receivables				
– Non-related parties	9,766	9,868	-	-
Accrued revenue	-	16,878	-	-
Advances made to staff	990	1,395	-	-
Refundable deposits	-	141	-	-
	<u>33,771</u>	<u>54,335</u>	<u>-</u>	<u>-</u>

	The Group		The Company	
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Amount owing by a subsidiary corporation				
Loans to a subsidiary corporation	-	-	8,038	7,487

	The Group		The Company	
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Amount owing by affiliated companies				
	129	12,404	-	-

12. Prepayments

	The Group		The Company	
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments				
Raw materials	1,998	-	-	-
Others	7,360	2,983	-	-
	<u>9,358</u>	<u>2,983</u>	<u>-</u>	<u>-</u>

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

13. Share capital

	The Group and the Company			
	30 September 2022		31 December 2021	
	Number of shares '000	Amount RMB'000	Number of shares '000	Amount RMB'000
Issued and fully paid, with no par value				
Balance at beginning and at end of interim period	640,000	316,125	640,000	316,125

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company. All shares rank equally with regard to the Company's residual assets.

14. Borrowings

	The Group		The Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Amount repayable within one year or on demand				
- Secured	60,000 ^(a)	60,000 ^(a)	-	-
- Unsecured	200,000 ^(b)	175,000 ^(b)	-	-
Amount repayable after one year				
- Secured	390,000 ^(a)	420,000 ^(a)	-	-
- Unsecured	350,000 ^(b)	450,000 ^(b)	-	-

(a) Bank borrowings of the subsidiary Dongming Qianhai 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).

15. Trade and other payables

	The Group		The Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables				
- Non-related parties	34,279	69,796	-	-
Other payables				
- Non-related parties	40,504	51,378	793	850
Other payables – staff	363	221	-	-
Accruals	24,251	8,228	-	1,315
VAT payables	11,852	14,028	-	-
Other governmental tax payables	2,331	2,375	-	-
Contract liabilities – advance collection from customers	80,777	23,807	-	-
	194,357	169,833	793	2,165

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

15. Trade and other payables (Cont'd)

	The Group		The Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Amount owing to affiliated companies				
- Trade	1,819	151,819	-	-
- Non-trade	3	-	-	-
	<u>1,822</u>	<u>151,819</u>	<u>-</u>	<u>-</u>

16. Dividends

	The Group	
	9 months ended 30 September 2022	9 months ended 30 September 2021
	RMB'000	RMB'000
Ordinary dividend paid:		
- Final tax-exempt (one-tier) dividend paid in respect of previous financial year of S\$ 0.006 (equivalent to RMB 0.0288) [2021: S\$ 0.005 (equivalent to RMB 0.0242)] per share	18,482	15,509

17. Net asset value

	The Group		The Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Net asset value per ordinary share	<u>1.98</u>	<u>1.95</u>	<u>0.40</u>	<u>0.40</u>

18. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2022 and 31 December 2021.

	Note	The Group		The Company	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
		RMB'000	RMB'000	RMB'000	RMB'000
Financial Assets					
- At FVOCI	9	79,761	79,761	-	-
- At amortised cost		620,260	767,959	9,009	9,315
		<u>700,021</u>	<u>847,720</u>	<u>9,009</u>	<u>9,315</u>
Financial Liabilities					
- At amortised cost		<u>1,055,627</u>	<u>1,390,850</u>	<u>793</u>	<u>2,165</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	
	9 months ended 30 September 2022 RMB'000	9 months ended 30 September 2021 RMB'000
Sales to affiliated companies		
- 山东东明石化集团有限公司	1,988	27,380
- 东明石油经销有限公司	3,578	41,033
- 山东东明梨树化学有限公司	191,446	272,796
- 东明中油燃料石化有限公司	68,933	27,449
- 山东润泽化工有限公司	208,505	177,329
<hr/>		
Purchases from affiliated companies		
- 东明石油经销有限公司	1,314	24,566
- 山东润泽化工有限公司	71,137	39,333
- 东明中油燃料石化有限公司	1,924,326	1,641,065
- 山东东明石化集团有限公司	35,071	32,160
- 山东东明梨树化学有限公司	98,822	152,203
- 山东炼化能源集团有限公司	1,347	9,546
- 东明润明油品销售有限公司	8,579	7,332
- 东明前海热力有限公司	316,313	-
- 江苏新海化工有限公司	52,608	-
- 江苏润海油品销售有限公司	46,531	-
<hr/>		
Contra transactions with affiliated companies		
- 东明润泽化工有限公司	4,470	-
- 东明前海热力有限公司	60,456	-
- 山东劲海化工有限公司	1,441	-
- 山东东明石化集团有限公司	2	-
- 东明洁源环保科技有限公司	270	-
- 山东东明石化集团电力有限公司	1,295	-
<hr/>		
Interest expenses on loan charged by affiliated company		
- 山东东明石化集团有限公司	21,365	24,665
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Other individually immaterial transactions	8,875	12,921
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Affiliated companies refer to companies in which a director of the Company has an indirect equity interest.

20. Subsequent events

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

OTHER INFORMATION

1. Review

The consolidated statement of financial position of Sinostar PEC Holdings Limited and its subsidiaries as at 30 September 2022 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 nine-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of Performance of the Group

The consolidated statement of financial position of Sinostar PEC Holdings Limited and its subsidiaries as at 30 September 2022 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 nine-month period then ended and certain explanatory notes have not been audited or reviewed.

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

3Q22	3 months ended		3 months ended		+/(-) %
	30 September 2022		30 September 2021		
Analysis of Revenue	RMB'000	%	RMB'000	%	%
Processed LPG - Total	321,190	24.8%	373,257	29.9%	-13.9%
- Inter-company*	(220,406)	-17.0%	(225,976)	-18.1%	-2.5%
Propylene	-	-	-	-	0%
Polypropylene	10,139	0.8%	69,948	5.6%	-85.6%
Premium grade polypropylene #					
- Total	382,094	29.5%	428,279	34.3%	-10.8%
- Inter-company***	(5,146)	-0.4%	-	-	NM
MTBE	624,699	48.2%	451,794	36.2%	38.3%
Propylene II - Total	147,257	11.4%	160,133	12.8%	-8.0%
- Inter-company**	(147,257)	-11.4%	(160,133)	-12.8%	-8.0%
Hydrogen	52,290	4.0%	50,603	4.1%	3.3%
Isobutylene	34,895	2.7%	36,403	2.9%	-4.1%
Other Gas	12,256	0.9%	7,292	0.6%	68.1%
Logistic & transport related services	83,936	6.5%	55,784	4.5%	50.5%
TOTAL	1,295,947	100.0%	1,247,384	100.0%	3.9%

OTHER INFORMATION (CONT'D)

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

Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income (Cont'd)

Revenue (Cont'd)

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

9M22	9 months ended		9 months ended		+/(-)
	30 September 2022		30 September 2021		
	RMB'000	%	RMB'000	%	%
Analysis of Revenue					
Processed LPG - Total	1,140,303	32.8%	981,041	29.3%	16.2%
- Inter-company*	(752,618)	-21.6%	(588,189)	-17.6%	28.0%
Propylene	-	-	82,883	2.5%	-100.0%
Polypropylene	154,956	4.5%	226,067	6.8%	-31.5%
Premium grade polypropylene					
- Total	911,237	26.2%	756,406	22.6%	20.5%
- Inter-company***	(8,955)	-0.3%	-	-	NM
MTBE	1,571,087	45.2%	1,297,736	38.8%	21.1%
Propylene II - Total	401,240	11.5%	487,748	14.6%	-17.7%
- Inter-company**	(400,748)	-11.5%	(362,777)	-10.8%	10.5%
Hydrogen	134,086	3.9%	151,807	4.5%	-11.7%
Isobutylene	105,596	3.0%	115,747	3.5%	-8.8%
Other Gas	21,895	0.6%	17,935	0.5%	22.1%
Logistic & transport related services	198,733	5.7%	179,380	5.4%	10.8%
TOTAL	3,476,812	100.0%	3,345,784	100.0%	3.9%

* supplied of LPG to subsidiary Dongming Qianhai

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

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

NM - Not Meaningful

(a) Processed LPG

A periodical maintenance carried out in the month of August 2022 resulted LPG to decreases by 13.9% from RMB 373.3 million in 3Q21 to RMB 321.1 million in 3Q22 (included the inter-company transactions). A total of 54,092 tonne produced and sold during the periods, a decrease of 37.9% as compared to 3Q21. Average selling prices ("ASP") and average cost of production ("ACP") during the period increase by 38.6% and 52.7% respectively as compared to 3Q21.

However, LPG increases by 16.2% from RMB 981.0 million in 9M21 to RMB 1,140.3 million in 9M22(included inter-company transactions). Total of 196,505 tonne produced and sold during 9M22, a decrease of 20.2% as compared to 9M21. Both the ASP and ACP during the periods increase by 45.6% and 53.5% respectively, as compared to 9M21.

(b) Propylene

Propylene is mainly used to further process into polypropylene and only excess output will be sold to markets. During the 3Q22 reporting period, as facing difficulties in sourcing for shortfall propylene from the external market, all internal produced propylene were allocated to produce premier grade polypropylene.

Due to the reason mentioned in 3Q22, the sale of propylene decreases by 100.0% from RMB 82.9 million in 9M21 to RMB Nil in 9M22.

OTHER INFORMATION (CONT'D)

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

Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income (Cont'd)

Revenue (Cont'd)

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

(c) Polypropylene

Due to abovementioned that all internal produced propylene were allocated for premier grade polypropylene production, polypropylene plant was down for a major maintenance and temporary halt production since July 2022 causes this revenue to decrease 85.5% from RMB 69.9 million in 3Q21 to RMB 10.1 million in 3Q22. Total output was reduced by 85.2% from 9,502 tonnes to 1,410 tonnes as compared to 3Q21.

Polypropylene decreases by 31.5% from RMB 226.1 million in 9M21 to RMB 154.9 million in 9M22. Total output decrease by 31.7% to 20,849 tonnes in 9M22, both the ASP and ACP during the 9M21 increase by 2.0% and 6.9% respectively as compared to 9M21.

(d) Premium grade polypropylene

Premium grade polypropylene decreases by 10.8% from RMB 428.2 million in 3Q21 to RMB 382.0 million in 3Q22, included the inter-company transactions. Production halted periods from 15 July 2022 to 24 August 2022 for maintenance causes the output to reduce by 6.8% to 53,371 tonnes as compared to 3Q22.

For 9M22, total output increases by 23.4% to from 100,278 tonnes to 123,791 tonnes, ASP decreases by 2.4%, whereas ACP increases by 1.7% as compared to 9M21 has resulted in an increase in the revenue by 20.5% from RMB 756.4 million to RMB 911.2 million.

(e) MTBE

MTBE increases by 38.3% from RMB 451.7 million in 3Q21 to approximately RMB 624.6 million in 3Q22. Production output by increases by 6.4% to 93,889 tonnes. Both ASP and ACP during the period increase by 29.9% and 37.2% respectively as compared to 3Q21.

Total MTBE increases by 21.1% from RMB1,297.7 million in 9M21 to RMB1,571.0 million in 9M22. Output by decreases by 9.0% to 241,714 tonnes whereas both ASP and ACP during the periods increase by 33.0% and 49.5% respectively as compared to 9M21.

(f) Propylene II

Propylene II decreases by 8.0% from RMB 160.1 million in 3Q21 to RMB 147.2 million in 3Q22, (all 3Q22 output were allocated for premier grade polypropylene production use). Production output decrease by 1.2% to 23,752 tonnes, both ASP and ACP decrease by 6.9% and 15.2% respectively as compared to 3Q21.

Total revenue decreases by 17.7% from RMB 487.7 million in 9M21 to RMB 401.2 million in 9M22, (included the inter-company transactions). During the 9M22, output decreases by 16.7% to 60,360 tonnes, both ASP and ACP decrease by 1.3% and 10.5% respectively as compared to 9M21.

(g) Hydrogen

Hydrogen is mainly transacted with an affiliate party for its production utilities consumption. During the period, production output increases by 3.3% to 3,558 tonnes resulted the revenue to increase from RMB 50.6 million in 3Q21 to RMB 2.2 million in 3Q22.

For 9M22, a total output of 9,126 tonnes was transacted with a revenue value of RMB 134.0 million.

OTHER INFORMATION (CONT'D)

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

Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income (Cont'd)

Revenue (Cont'd)

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

(h) Isobutylene

Isobutylene decreases by 4.1% from RMB 36.4 million in 3Q21 to RMB 34.8 million in 3Q22 due to steeper competition in the market. Total production output decreases by 28.2% to 3,285 tonnes, whereas both the ASP and ACP during the reporting period increase by 33.5% and 39.3% respectively as compared to 3Q21.

For 9M22, the decrease in total output by 32.0% to 10,482 tonnes together with the increase in both ACP and ASP by 34.2% and 51.4% has resulted in a decrease in revenue by 8.8% from RMB 115.7 million to RMB 105.5 million.

(i) Logistics & transport related service

Revenue from this business increases by 50.5% from RMB 55.7 million in 3Q21 to RMB 83.9 million in 3Q22. Mainly due to increase in delivery demand where a total of 511,600 tonne transported in 3Q22 as compared to a total of 365,600 tonne in 3Q21.

Total revenue for 9M22 increases 10.8% from RMB 179.3 million to RMB 198.7 million, mainly due to increase in transportation demand.

Gross profit

Gross profit decreases from RMB 118.4 million in 3Q21 to approximately RMB 52.7 million in 3Q22, and from RMB 418.1 million to RMB 154.1 million for 9M22, mainly due to decrease in production output in most of the products.

Other income and expenses

(a) Other income

Comprise mainly an incentive money received from 工业和信息化部支持民营经济高质量发展奖励资金 amounted to approximately RMB 3.7 million, and bank interest earned on short-term deposits placed with financial institution amounted to approximately RMB 1.9 million.

For 9M22, a total of RMB 6.0 million earned from bank interest and balances on non-trade receivables.

(b) Administrative costs

Decreased from RMB 6.3 million in 3Q21 to RMB 5.6 million in 3Q22 mainly due to the decrease in the overhead expenses in subsidiaries.

(c) Finance costs

Interests incurred on the loan from non-controlling interest amounted to RMB 6.7 million and RMB 4.9 million on external bank borrowing in 3Q22.

For 9M22, total of RMB 36.6 million interest paid to non-controlling interest and balance on bank loan.

OTHER INFORMATION (CONT'D)

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

Other income and expenses (Cont'd)

(d) Taxation

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

Net Profit

The Group made a profit of RMB 24.8 million in 3Q22 attributed to the equity holders of the company, as compared to profit of RMB 58.8 million in 3Q21.

For 9M22, a total profit of RMB 39.0 million attributed to the equity holders of the company as compared to RMB 215.7 million in 9M21.

Condensed Interim Consolidated Statements of Financial Positions

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

(a) Property, plant and equipment

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

(b) Inventories

Inventories comprise of approximately RMB 12.2 million of consumables, RMB 48.5 million of raw materials and equivalent value of RMB 198.6 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

Comprise mainly a capital loan from bank to finance Dongming Hengchang's new polypropylene construction. The loan is carrying at floating rate of 4.41% per annum and repayment is made every half yearly. Full settlement is scheduled by January 2027.

A repayment of RMB 30.0 million was made as of 30 September 2022.

(f) Loan from non-controlling interests

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

There was a repayment of RMB 50.0 million made in 3Q22.

Condensed Interim Consolidated Statement of Cash Flow

As of 30 September 2022, the group generated RMB 126.8 million net cash from operating, offset RMB 32.0 and RMB 210.1 million net cash used in both investing and financing activities, respectively. As a result, the Group's cash and cash equivalent amounted to RMB 587.3 million.

OTHER INFORMATION (CONT'D)

- 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 30 September 2022.

- 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.

	30 September 2022	31 December 2021
Number of issued shares (excluding treasury shares)	640,000,000	640,000,000
Number of treasury shares held	NIL	NIL

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

Not applicable.

4. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	3 months ended 30 September	
	2022	2021
Profit/(loss) per share for the period based on net profit attributable to owners of the parent company		
(a) Based on basic number of ordinary shares on issue	3.89	9.20
No. of shares in issue (weighted average)	640,000,000	640,000,000
(b) On a fully diluted basis	3.89	9.20
No. of shares in issue (weighted average)	640,000,000	640,000,000

	9 months ended 30 September	
	2022	2021
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	6.10	33.70
No. of shares in issue (weighted average)	640,000,000	640,000,000
(b) On a fully diluted basis	6.10	33.70
No. of shares in issue (weighted average)	640,000,000	640,000,000

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.**

In line with China's "Zero Covid" policy, scattered Covid outbreaks in the country have prompted tighter social-distancing measures and controls on business activities. The frequent Covid outbreaks have resulted in a fall in China's factory activity. According to the National Bureau of Statistics, the official purchasing managers' index for manufacturing fell to 49.2 in October 2022, down from 50.1 in September 2022¹.

The Group has been taking cautious steps in strengthening its business, while optimising production. In August 2022, the Group retired a 100K tons Gas fractionation installation, which has commissioned its production between December 2000 and 2020. The decision to retire the plant was done after carrying out a full cost-benefit evaluation. The strategic retirement of the plant is not expected to have a significant impact on the Group.

The Group remains reasonably optimistic about the long-term demand for its petrochemical products, which are used across a wide range of industries based on the existing orders. Concurrently, the Group will remain vigilant in its management of cash flows, fiscal responsibilities, and operating capital requirements.

7. **Dividend information**

- (a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

- (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.

¹ http://www.stats.gov.cn/english/PressRelease/202211/t20221101_1889909.html

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 2022 to September 2022 :-</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., Limited (东明前海化工有限公司) (transactions are subjects to consolidation group eliminations)</p> <ul style="list-style-type: none"> - Processed LPG - Propylene - Recycled propylene - Utilities - Contra of utilities on productions - Logistics & transportation related service provide to <p>Dongming Zhongyou Fuel and Petrochemical Company Limited (东明中油燃料石化有限公司)</p> <ul style="list-style-type: none"> - Purchase of raw LPG - Purchase of utilities - Logistics & transport related services provided to <p>Shandong Dongming Petrochem Group Co., Ltd. (山东东明石化集团有限公司)</p> <ul style="list-style-type: none"> - Purchase of utilities, part & components - Contra of Utilities - Logistics & transport related services provided to - Accrued Interest on loan from non-controlling interest 	<p>RMB 400,748,145</p> <p>RMB 8,955,364</p> <p>RMB 7,682,234</p> <p>RMB 1,731</p>	<p>RMB 752,618,790</p> <p>RMB 2,404,168</p> <p>RMB 2,774,807</p> <p>RMB 1,907,964,926</p> <p>RMB 16,357,144</p> <p>RMB 68,930,928</p> <p>RMB 34,879,346</p> <p>RMB 1,994,440</p> <p>RMB 21,365,104</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)
<p>For period from January 2022 to September 2022:-</p> <p>Shandong LianHua Energy Group Co. Ltd. (山东炼化能源集团有限公司) ^</p> <ul style="list-style-type: none"> - Purchase of propylene <p>Dongming WanHaiLuiJiang Petrochemical Co., Ltd (东明万海氯碱化工有限公司)</p> <ul style="list-style-type: none"> - Logistics & transport related services provided to <p>Dongming Qianhai Reli Co., Ltd. (东明前海热力有限公司) #</p> <ul style="list-style-type: none"> - Purchase of utilities - Sales of utilities - Contra on purchase of utilities <p>Jiangsu Xinhai Petrochem Co., Ltd (江苏新海化工有限公司) #</p> <ul style="list-style-type: none"> - Purchase of propylene <p>Jiangsu Runhai Oil Products Distribution Co., Ltd (江苏润海油品销售有限公司) #</p> <ul style="list-style-type: none"> - Purchase of LPG - Purchase of Propylene 	<p>RMB 1,347,005</p> <p>RMB 10,029,088</p> <p>RMB 147,266 RMB 60,455,865</p> <p>RMB 52,608,111 (see note)</p> <p>RMB 23,635,604 (see note)</p>	<p>RMB 316,312,917</p> <p>RMB 22,895,574</p>

Note - include a reclassification of previous transaction from Jiangsu Qianhai to Jiangsu Runhai

OTHER INFORMATION (CONT'D)

8. Interested person transactions (Cont'd)

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
<p>For period from January 2022 to September 2022;-</p> <p>Shandong Jin-hai Petrochemical Pte Ltd (山东劲海化工有限公司)</p> <ul style="list-style-type: none"> - Utilities on contra of production costs <p>Shandong Jie-yuan Environmental Technology Pte Ltd (东明洁源环保科技有限公司)</p> <ul style="list-style-type: none"> - Purchase of utilities - Contra of utilities <p>Shandong Dongming Petrochem Group Electricity Pte Ltd (山东东明石化集团电力有限公司) ^^</p> <ul style="list-style-type: none"> - Utilities contra on production costs 	<p>RMB 1,440,658</p> <p>RMB 270,276</p> <p>RMB 1,294,779</p>	<p>RMB 1,622,149</p>

The Company had made an announcement on 28 February 2022 in respect of several interested persons transactions ("IPT Announcement") that it had entered into during the financial year ended 31 December 2021 with Dongming Qianhai Reli Co. Ltd (东明前海热力有限公司), Jiangsu Xinghai Petrochem Co., Ltd (江苏新海化工有限公司) and Jiangsu Renhai Oil Products Distribution Co., Ltd (江苏润海油品销售有限公司) which were not covered under the existing IPT mandate approved by the shareholders, and are of a revenue and trading nature ("Past Recurrent IPTs").

^ The Company had made another announcement on 13 July 2022 in respect of several past disclosed interested persons transactions that it had entered into during the financial year ended 31 December 2021 with Dongming Qianhai Petrochemical Co. Ltd (东明前海化工有限公司), Shandong Runze Petrochemical Co.,Ltd (山东润泽化工有限公司) and Shandong Lianhua Energy Group Co., Ltd (山东炼化能源集团有限公司) which are not covered under the existing IPT mandate approved by the shareholders, and are of a revenue and trading nature ("Past Recurrent IPTs").

The Company shall be convening an EGM to obtain shareholders' approval for the proposed ratification of the Past Recurrent IPTs and the adoption of the proposed new IPT General Mandate for future IPTs with the above-mentioned companies. The details of the Past Recurrent IPTs, proposed ratification of the Past Recurrent IPTs and the adoption of the proposed new IPT General Mandate for future IPTs are set out in the IPT Announcement. Further, the Company will make further announcements on SGXNET regarding the EGM at the appropriate juncture with more information regarding the foregoing.

^^ No further transactions with effects from June 2022

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	61	Father of Li Zhi, non-executive Director of the Company.	Non-Executive Chairman Since 2006, Substantial shareholder of the Company.	From non-executive Chairman to Executive Chairman from April 2021.
Li Zhi	36	Son of Mr Li Xiangping, the Non-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 nine-month period ended 30 September 2022 to be false or misleading in any material aspect.

Li Xiang Ping
Executive Chairman and CEO

Jiang Xinglu
AC Chairman, Independent Director

Singapore
12 November 2022