

**SINOSTAR PEC HOLDINGS LIMITED**  
**(Company Registration No.: 200609833N)**

This QR announcement is mandatory made pursuant to the Singapore Exchange's requirements as required under Listing Rule 705(2).

Unaudited Financial Statement Announcement for the three months ("Q4") and 12 months ("FY") ended 31 December 2022

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

	The Group			Note	The Group		
	3 months ended		+/-		12 months ended		+/-
	31 December				31 December		
	2022	2021	%	2022	2021	%	
	RMB'000	RMB'000			RMB'000	RMB'000	
Revenue	1,371,391	1,370,425	0.1	4.2	4,848,203	4,716,209	2.8
Cost of Sales	(1,328,608)	(1,309,932)	1.4		(4,651,227)	(4,237,518)	9.8
Gross profit	42,783	60,493	(29.3)		196,976	478,691	(58.9)
Other income	2,240	6,011	(62.7)		12,815	13,476	(4.9)
Administrative costs	(15,102)	(9,960)	51.6		(33,928)	(28,266)	20.0
Distribution costs	(220)	(224)	(1.8)		(253)	(269)	(5.9)
Other operating expense	(1)	(84)	(98.8)		(273)	(353)	(22.7)
Finance costs	(11,044)	(13,300)	(17.0)		(47,678)	(49,128)	(3.0)
Profit before taxation	18,656	42,936	(56.5)	5	127,659	414,151	(69.2)
Income tax expense	(8,101)	(13,513)	(40.1)	6	(48,595)	(106,833)	(54.5)
Net profit for the year	10,555	29,423	(64.1)		79,064	307,318	(74.3)
Other comprehensive income							
Items that will not be reclassified subsequently to profit or loss							
Financial assets, at fair value through other comprehensive income							
- Fair value loss							
- equity investment	(36,789)	-			(36,789)	-	
Total comprehensive income for the year	(26,234)	29,423	(189.2)		42,275	307,318	(86.2)
<b>Net profit attributable to:</b>							
Equity holders of the							
Company	385	21,719			39,442	237,423	
Non-controlling interests	10,170	7,704			39,622	69,895	
	10,555	29,423			79,064	307,318	
<b>Total comprehensive income attributable to:</b>							
Equity holders of the							
Company	(25,367)	21,719			13,690	237,423	
Non-controlling interests	(867)	7,704			28,585	69,895	
	(26,234)	29,423			42,275	307,318	
<b>Earnings per share attributable to equity holders of the Company (RMB cents per share)</b>							
Basic	0.06	3.39			6.16	37.10	
Diluted	0.06	3.39			6.16	37.10	

## CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

### Condensed Interim Statement of Financial Position

	Note	The Group		The Company	
		31 December 2022 RMB'000	31 December 2021 RMB'000	31 December 2022 RMB'000	31 December 2021 RMB'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment		1,624,213	1,744,144	9	-
Right-of-use assets		3,575	4,002	-	-
Intangible assets		89,488	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	42,972	79,761	-	-
		<u>1,770,593</u>	<u>1,928,799</u>	<u>250,050</u>	<u>250,041</u>
<b>CURRENT ASSETS</b>					
Intangible assets		1,088	1,088	-	-
Inventories	10	242,335	258,811	-	-
Trade and other receivables	11	19,987	54,335	28	-
Amount owing by a subsidiary corporation	11	-	-	5,833	7,487
Amounts owing by affiliated companies	11	11,098	12,404	-	-
Prepayments	12	8,772	2,983	-	-
Cash and bank balances		521,064	702,615	1,906	1,828
		<u>804,344</u>	<u>1,032,236</u>	<u>7,767</u>	<u>9,315</u>
<b>TOTAL ASSETS</b>		<u>2,574,937</u>	<u>2,961,035</u>	<u>257,817</u>	<u>259,356</u>
<b>EQUITY</b>					
<b>Equity attributable to equity holders of the parents</b>					
<b>ASSETS</b>					
Share capital	13	316,125	316,125	316,125	316,125
Retained profits/(accumulated losses)		532,552	525,368	(60,390)	(58,934)
Fair value reserves		8,765	34,517	-	-
Capital reserves		250,000	250,000	-	-
Other reserves		136,352	122,576	-	-
		<u>1,243,794</u>	<u>1,248,586</u>	<u>255,735</u>	<u>257,191</u>
Non-controlling interests		296,456	267,871	-	-
<b>TOTAL EQUITY</b>		<u>1,540,250</u>	<u>1,516,457</u>	<u>255,735</u>	<u>257,191</u>
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Loans from non-controlling interest	14	250,000	450,000	-	-
Bank borrowings	14	360,000	420,000	-	-
Lease liabilities		3,607	3,911	-	-
		<u>613,607</u>	<u>873,911</u>	<u>-</u>	<u>-</u>
<b>CURRENT LIABILITIES</b>					
Loans from non-controlling interest	14	200,000	175,000	-	-
Bank borrowings	14	60,000	60,000	-	-
Lease liabilities		410	497	-	-
Trade and other payables	15	138,137	169,833	2,082	2,165
Amounts owing to affiliated companies	15	13,538	151,819	-	-
Current tax payable		8,995	13,518	-	-
		<u>421,080</u>	<u>570,667</u>	<u>2,082</u>	<u>2,165</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,574,937</u>	<u>2,961,035</u>	<u>257,817</u>	<u>259,356</u>

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

	Share Capital RMB'000	Retained earnings RMB'000	Fair value reserve RMB'000	Capital reserve RMB'000	Other reserves		Equity attributable to owners RMB'000	Non- controlling interests RMB'000	Total equity RMB'000	
					Statutory	Voluntary				
					common reserve RMB'000	common reserve RMB'000				
<b>1 January 2022 to 31 December 2022</b>						Sub-total RMB'000				
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
Profit for the year	-	39,442	-	-	-	-	-	39,442	39,622	79,064
Other comprehensive income for the year	-	-	(25,752)	-	-	-	-	(25,752)	(11,037)	(36,789)
Total comprehensive income for the year	-	39,442	(25,752)	-	-	-	-	13,690	28,585	42,275
Dividend paid for the year	-	(18,482)	-	-	-	-	-	(18,482)	-	(18,482)
Transfer to statutory common reserve	-	(13,776)	-	-	13,776	-	13,776	-	-	-
Balance as at 31 December 2022	316,125	532,552	8,765	250,000	135,555	797	136,352	1,243,794	296,456	1,540,250

	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	Voluntary				
					common reserve RMB'000	common reserve RMB'000				
<b>1 January 2021 to 31 December 2021</b>						Sub-total RMB'000				
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
Profit for the year	-	237,423	-	-	-	-	-	237,423	69,895	307,318
Other comprehensive income for the year	-	(15,509)	-	-	-	-	-	(15,509)	-	(15,509)
Total comprehensive income for the year	-	221,914	-	-	-	-	-	221,914	69,895	291,809
Transfer to statutory common reserve	-	(30,770)	-	-	30,770	-	30,770	-	-	-
Balance as at 31 December 2021	316,125	525,368	34,517	250,000	121,779	797	122,576	1,248,586	267,871	1,516,457

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

<b>1 January 2022 to 31 December 2022</b>	<b>Share capital RMB'000</b>	<b>Accumulated losses RMB'000</b>	<b>Total equity RMB'000</b>
Balance as at 1 January 2022	316,125	(58,934)	257,191
Total comprehensive income for the year	-	17,026	17,026
Dividend paid	-	(18,482)	(18,482)
Balance as at 31 December 2022	316,125	(60,390)	255,735

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

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group	
	12 months ended 31 December	
	2022	2021
	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Profit for the period	127,659	414,151
Adjustments for:-		
Depreciation of property, plant and equipment	163,917	145,960
Depreciation of right-of-use assets	427	425
Amortisation of intangible assets	1,203	1,089
(Gain)/Loss on disposal of property, plant and equipment	(2,737)	109
Property, plant and equipment written off	598	-
Interest expense	47,678	49,128
Interest income	(7,594)	(5,907)
<b>Operating profit before working capital changes</b>	331,151	604,955
Changes in working capital:		
Change in inventories	16,476	(40,671)
Change in amount owing by/(to) affiliated companies	(136,975)	135,009
Change in operating receivables	34,348	(13,428)
Change in prepayment	(5,789)	2,037
Change in operating payables	(31,696)	27,801
<b>Cash generated from operations</b>	207,515	715,703
Income tax paid	(53,118)	(134,439)
<b>Net cash generated from operating activities</b>	154,397	581,264
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(46,039)	(35,575)
Proceeds from sales of property, plant and equipment	4,192	1,090
Acquisition of intangible assets	(144)	(354)
Interest paid	-	(5,493)
Interest received	7,594	5,907
<b>Net cash used in investing activities</b>	(34,397)	(34,425)
<b>Cash flows from financing activities</b>		
Dividend paid	(18,482)	(15,509)
Repayment of loan to non-controlling interests	(175,000)	(80,000)
Payment of principal portion of lease liabilities	(391)	(372)
Repayment of bank borrowings	(60,000)	(51,250)
Interest paid	(47,678)	(49,128)
<b>Net cash used in financing activities</b>	(301,551)	(196,259)
Net (decrease)/increase in cash and cash equivalents	(181,551)	350,580
Cash and cash equivalents at beginning of year	702,615	352,035
Cash and cash equivalents at end of year	521,064	702,615

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

Cash on hand	44	47
Bank balances	521,020	702,568
Fixed deposits placed with financial institutions	-	-
	521,064	702,615

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. Corporate information

Sinostar PEC Holdings Limited (“the Company”) is incorporated and domiciled in Singapore as a limited liability company. The Company is listed on the Singapore Exchange Mainboard (“SGX-ST”).

The immediate and ultimate holding company of the Company is Intelligent People Holdings Limited (“Intelligent People”), a company which is incorporated in the British Virgin Islands (“BVI”).

The Company’s registered office is located at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712.

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiary corporations are:

- (a) Manufacture and sale of propylene, polypropylene and LPG products;
- (b) Provide logistics and transportation related services for petroleum products; and
- (c) Manufacture and sale of propylene, purified isobutylene, methyl tert-butyl ether (commonly known as MTBE), hydrogen and mixed gas.

These condensed interim consolidated financial statements as at and for the three months ended 31 December 2022 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 2022.

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 2022.

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

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

- Useful lives of property, plant and equipment

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

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

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

### 3. Seasonal operations

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

### 4. Segment and revenue information

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

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

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

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

4. Segment and revenue information (Cont'd)

4.1. Reportable segments (Cont'd)

	The Group 3 months ended 31 December 2022		
	Gas Separation	Transport and Logistic Services	Total
	RMB'000	RMB'000	RMB'000
<b>Revenue</b>			
External customers	1,306,213	65,178	1,371,391
Inter-segment sales	500,260	990	501,250
Total revenue	<u>1,806,473</u>	<u>66,168</u>	<u>1,872,641</u>
<b>Segment assets</b>	<u>2,019,968</u>	<u>11,896</u>	<u>2,031,864</u>
<b>Segment liabilities</b>	<u>63,460</u>	<u>15,219</u>	<u>78,679</u>
<b>Results</b>			
Segment results	<u>32,582</u>	<u>3,103</u>	<u>35,685</u>
<b>Unallocated expenses</b>			
Unallocated corporate expenses			(7,559)
Profit from operations			28,126
Finance income			1,574
Finance cost			(11,044)
Profit before tax			18,656
Tax expense			(8,101)
Profit after tax			<u>10,555</u>
<b>Segments assets for reportable segments</b>			2,031,864
Other assets			
Unallocated			
Amounts owing by affiliated companies			11,093
Cash and cash equivalents			521,064
Other receivables			471
Goodwill on consolidation			10,345
Refundable deposit			100
			<u>2,574,937</u>
<b>Segments liabilities for reportable segments</b>			78,679
Other liabilities			
Unallocated			
Other payables			63,475
Amounts owing to affiliated companies			13,538
Bank borrowings			420,000
Loan from non-controlling interest			450,000
Current tax payable			8,995
			<u>1,034,687</u>



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

4. Segment and revenue information (Cont'd)

4.1. Reportable segments (Cont'd)

	The Group 3 months ended 31 December 2021		
	Gas Separation	Transport and Logistic Services	Total
	RMB'000	RMB'000	RMB'000
<b>Revenue</b>			
External customers	1,295,749	74,676	1,370,425
Inter-segment sales	432,818	8	432,826
Total revenue	<u>1,728,567</u>	<u>74,684</u>	<u>1,803,251</u>
<b>Segment assets</b>	<u>2,210,935</u>	<u>23,200</u>	<u>2,234,135</u>
<b>Segment liabilities</b>	<u>23,664</u>	<u>17,426</u>	<u>41,090</u>
<b>Results</b>			
Segment results	<u>50,390</u>	<u>3,003</u>	<u>53,393</u>
<b>Unallocated expenses</b>			
Unallocated corporate expenses			1,093
Profit from operations			54,487
Finance income			1,750
Finance cost			<u>(13,300)</u>
Profit before tax			42,936
Tax expense			<u>(13,513)</u>
Profit after tax			<u>29,423</u>
<b>Segments assets for reportable segments</b>			2,234,135
Other assets			
Unallocated			
Amounts owing by affiliated companies			12,404
Cash and cash equivalents			702,615
Other receivables			1,536
Goodwill on consolidation			<u>10,345</u>
			<u>2,961,035</u>
<b>Segments liabilities for reportable segments</b>			41,090
Other liabilities			
Unallocated			
Other payables			133,151
Amounts owing to affiliated companies			151,819
Bank borrowings			480,000
Loan from non-controlling interest			625,000
Current tax payable			<u>13,518</u>
			<u>1,444,578</u>

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

4. Segment and revenue information (Cont'd)

4.1. Reportable segments (Cont'd)

	The Group 12 months ended 31 December 2022		
	Gas Separation	Transport and Logistic Services	Total
	RMB'000	RMB'000	RMB'000
<b>Revenue</b>			
External customers	4,584,292	263,911	4,848,203
Inter-segment sales	1,662,582	3,765	1,666,347
Total revenue	<u>6,246,874</u>	<u>267,676</u>	<u>6,514,550</u>
<b>Segment assets</b>	<u>2,019,968</u>	<u>11,896</u>	<u>2,031,864</u>
<b>Segment liabilities</b>	<u>63,460</u>	<u>15,219</u>	<u>78,679</u>
<b>Results</b>			
Segment results	<u>169,679</u>	<u>19,045</u>	<u>188,724</u>
<b>Unallocated expenses</b>			
Unallocated corporate expenses			(20,981)
Profit from operations			167,743
Finance income			7,594
Finance cost			(47,678)
Profit before tax			127,659
Tax expense			(48,595)
Profit after tax			<u>79,064</u>
<b>Segments assets for reportable segments</b>			2,031,864
Other assets			
Unallocated			
Amounts owing by affiliated companies			11,093
Cash and cash equivalents			521,064
Other receivables			471
Goodwill on consolidation			10,345
Refundable deposit			100
			<u>2,574,937</u>
<b>Segments liabilities for reportable segments</b>			78,679
Other liabilities			
Unallocated			
Other payables			63,475
Amounts owing to affiliated companies			13,538
Bank borrowings			420,000
Loan from non-controlling interest			450,000
Current tax payable			8,995
			<u>1,034,687</u>

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

4. Segment and revenue information (Cont'd)

4.1. Reportable segments (Cont'd)

	The Group 12 months ended 31 December 2021		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
<b>Revenue</b>			
External customers	4,462,153	254,056	4,716,209
Inter-segment sales	1,383,783	40	1,383,823
Total revenue	<u>5,845,936</u>	<u>254,096</u>	<u>6,100,032</u>
<b>Segment assets</b>	<u>2,210,935</u>	<u>23,200</u>	<u>2,234,135</u>
<b>Segment liabilities</b>	<u>23,664</u>	<u>17,426</u>	<u>41,090</u>
<b>Results</b>			
Segment results	<u>446,534</u>	<u>23,974</u>	<u>470,508</u>
<b>Unallocated expenses</b>			
Unallocated corporate expenses			(13,136)
Profit from operations			457,372
Finance income			5,907
Finance cost			(49,128)
Profit before tax			414,151
Tax expense			(106,833)
Profit after tax			<u>307,318</u>
<b>Segments assets for reportable segments</b>			2,234,135
Other assets			
Unallocated			
Amounts owing by affiliated companies			12,404
Cash and cash equivalents			702,615
Other receivables			1,536
Goodwill on consolidation			10,345
			<u>2,961,035</u>
<b>Segments liabilities for reportable segments</b>			41,090
Other liabilities			
Unallocated			
Other payables			133,151
Amounts owing to affiliated companies			151,819
Bank borrowings			480,000
Loan from non-controlling interest			625,000
Current tax payable			13,518
			<u>1,444,578</u>

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

**4. Segment and revenue information (Cont'd)**

**4.2. 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.

	<b>The Group</b>		
	<b>3 months ended 31 December 2022</b>		
	<b>Gas Separation</b>	<b>Transport and</b>	<b>Total</b>
	<b>RMB'000</b>	<b>Logistics Services</b>	<b>RMB'000</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>People's Republic of China</b>			
Liquefied petroleum gas	138,028	-	138,028
Polypropylene	39	-	39
Premium grade polypropylene	470,123	-	470,123
Methyl Tert-Butyl Ether ("MTBE")	603,018	-	603,018
Hydrogen	50,472	-	50,472
Isobutylene	37,939	-	37,939
Other Gas	6,594	-	6,594
Transport and logistic services	-	65,178	65,178
	<u>1,306,213</u>	<u>65,178</u>	<u>1,371,391</u>

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

	<b>The Group</b>		
	<b>12 months ended 31 December 2022</b>		
	<b>Gas Separation</b>	<b>Transport and</b>	<b>Total</b>
	<b>RMB'000</b>	<b>Logistics Services</b>	<b>RMB'000</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>People's Republic of China</b>			
Liquefied petroleum gas	525,711	-	525,711
Propylene II	493	-	493
Polypropylene	154,996	-	154,996
Premium grade polypropylene	1,372,405	-	1,372,405
Methyl Tert-Butyl Ether ("MTBE")	2,174,105	-	2,174,105
Hydrogen	184,558	-	184,558
Isobutylene	143,535	-	143,535
Other Gas	28,489	-	28,489
Transport and logistic services	-	263,911	263,911
	<u>4,584,292</u>	<u>263,911</u>	<u>4,848,203</u>

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

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

**5. Profit before taxation**

**Significant items**

	<b>The Group</b>	
	<b>3 months ended 31 December 2022 RMB'000</b>	<b>3 months ended 31 December 2021 RMB'000</b>
Interest Income	1,574	1,750
<b>Expenses:</b>		
Interest on borrowings	11,044	13,300
Depreciation of property, plant and equipment	41,766	39,277
Depreciation of rights-of-use assets	427	425
Amortisation of intangible assets	352	273
Loss on disposal of property, plant and equipment	510	-
	<b>7,594</b>	<b>5,907</b>
	<b>The Group</b>	
	<b>12 months ended 31 December 2022 RMB'000</b>	<b>12 months ended 31 December 2021 RMB'000</b>
Interest Income	7,594	5,907
<b>Expenses:</b>		
Interest on borrowings	47,678	49,128
Depreciation of property, plant and equipment	163,917	145,960
Depreciation of rights-of-use assets	427	425
Amortisation of intangible assets	1,203	1,089
(Gain)/loss on disposal of property, plant and equipment	(2,737)	109
Property, plant and equipment written off	598	-

**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:

	<b>The Group</b>	
	<b>3 months ended 31 December 2022 RMB'000</b>	<b>3 months ended 31 December 2021 RMB'000</b>
Current income tax expense		
- Profit for the financial period	8,101	12,447
- Under provision in prior financial periods	-	1,066
	<b>8,101</b>	<b>13,513</b>
	<b>The Group</b>	
	<b>12 months ended 31 December 2022 RMB'000</b>	<b>12 months ended 31 December 2021 RMB'000</b>
Current income tax expense		
- Profit for the financial period	48,074	104,864
- Under provision in prior financial periods	521	1,969
	<b>48,595</b>	<b>106,833</b>

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

### 7. Property, plant and equipment

During the year ended 31 December 2022, the Group acquired assets amounting to RMB46,039,000 (31 December 2021: RMB13,814,000) and disposed of assets with net carrying value amounting to RMB1,455,102 (31 December 2021: RMB71,000).

### 8. Goodwill arising on consolidation

	The Group	
	31 December 2022 RMB'000	31 December 2021 RMB'000
<b>Cost and carrying amount</b> Beginning and end of year		
	10,345	10,345

#### 8.1. Goodwill impairment

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

	The Group	
	31 December 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.

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

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

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

### 9. Financial assets at fair value through other comprehensive income

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

	The Group	
	3 months ended 31 December 2022 RMB'000	3 months ended 31 December 2021 RMB'000
<b>Equity security (unquoted)</b>		
- Dongming Qianhai Petrochemical Co., Ltd (东明前海化工有限公司)		
Beginning of period	79,761	79,761
Fair value gains recognised in other comprehensive income	(36,789)	-
End of year	42,972	79,761

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

#### 9.1. Fair value measurement

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

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

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

	Level 3 RMB'000
<b>31 December 2022</b>	
Financial assets, at FVOCI	42,972
<b>31 December 2021</b>	
Financial assets, at FVOCI	79,761



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

10. Inventories

	The Group		The Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>At cost</b>				
Raw materials	143,366	155,636	-	-
Finished goods	98,969	103,175	-	-
	<u>242,335</u>	<u>258,811</u>	<u>-</u>	<u>-</u>

11. Trade and other receivables

	The Group		The Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables - Non-related parties	8,544	26,053	-	-
Trade receivables - Related parties	77	-	-	-
Other receivables - Non-related parties	9,716	9,868	-	-
Accrued revenue	1,079	16,878	-	-
VAT receivables	-	-	-	-
Advances made to staff	471	1,395	-	-
Refundable deposits	100	141	-	-
	<u>19,987</u>	<u>54,335</u>	<u>-</u>	<u>-</u>

	The Group		The Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Amount owing by a subsidiary corporation</b>				
Loans to a subsidiary corporation	-	-	5,833	7,487
	<u>-</u>	<u>-</u>	<u>5,833</u>	<u>7,487</u>

	The Group		The Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Amount owing by affiliated companies</b>				
	11,098	12,404	-	-
	<u>11,098</u>	<u>12,404</u>	<u>-</u>	<u>-</u>

12. Prepayments

	The Group		The Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Prepayments</b>				
Raw materials	5,833	439	-	-
Others	2,939	2,544	28	-
	<u>8,772</u>	<u>2,983</u>	<u>28</u>	<u>-</u>

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

**13. Share capital**

	The Group 31 December 2022		The Company 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	
	31 December 2022 RMB'000	31 December 2021 RMB'000	31 December 2022 RMB'000	31 December 2021 RMB'000
<b>Amount repayable within one year or on demand</b>				
- Secured	60,000 <sup>(a)</sup>	60,000 <sup>(a)</sup>	-	-
- Unsecured	200,000 <sup>(c)</sup>	175,000 <sup>(c)</sup>	-	-
<b>Amount repayable after one year</b>				
- Secured	360,000 <sup>(a)</sup>	420,000 <sup>(a)</sup>	-	-
- Unsecured	250,000 <sup>(c)</sup>	450,000 <sup>(c)</sup>	-	-

(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).

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

15. Trade and other payables

	The Group		The Company	
	31 December 2022 RMB'000	31 December 2021 RMB'000	31 December 2022 RMB'000	31 December 2021 RMB'000
Trade payables - Non-related parties	74,663	69,796	-	-
Accruals - Salaries and related costs	9,140	8,228	1,253	439
Accruals - Directors' fees	830	-	830	876
VAT payables	27,281	14,028	-	-
Other governmental tax payables	398	2,375	-	-
Amount owing to outsourced transport companies	1,610	1,632	-	-
Contract liabilities - advance collection from customers	2,087	23,807	-	-
Amount owing to staff	136	221	-	-
Amount owing to sundry creditors	21,992	49,746	-	-
	<u>138,137</u>	<u>169,833</u>	<u>2,083</u>	<u>1,315</u>

**Amount owing to affiliated companies**

	The Group		The Company	
	31 December 2022 RMB'000	31 December 2021 RMB'000	31 December 2022 RMB'000	31 December 2021 RMB'000
<b>Amount owing to affiliated companies</b>				
- Trade	<u>13,538</u>	<u>151,819</u>	<u>-</u>	<u>-</u>

16. Dividends

	The Company	
	31 December 2022 RMB'000	31 December 2021 RMB'000
<b>Ordinary dividend paid:</b>		
- 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	<u>18,483</u>	<u>15,509</u>

17. Net asset value

	The Group		The Company	
	31 December 2022 RMB'000	31 December 2021 RMB'000	31 December 2022 RMB'000	31 December 2021 RMB'000
Net asset value per ordinary share	<u>1.94</u>	<u>1.95</u>	<u>0.40</u>	<u>0.40</u>

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

**18. Financial assets and financial liabilities**

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

	Note	The Group		The Company	
		31 December 2022 RMB'000	31 December 2021 RMB'000	31 December 2022 RMB'000	31 December 2021 RMB'000
Financial Assets					
- At FVOCI	9	42,972	79,761	-	-
- At amortised cost		551,678	767,959	7,739	9,315
		<u>594,650</u>	<u>847,720</u>	<u>7,739</u>	<u>9,315</u>
Financial Liabilities					
- At amortised cost		995,926	1,390,850	2,083	2,165
		<u>995,926</u>	<u>1,390,850</u>	<u>2,083</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	
	31 December 2022	31 December 2021
	RMB'000	RMB'000
<b>Sales to affiliated companies</b>		
山东东明石化集团有限公司	867	27,380
东明中油燃料石化有限公司	182,973	27,449
山东润泽化工有限公司	208,717	448,161
东明石油经销有限公司	5,649	52,264
山东东明梨树化学有限公司	191,455	381,716
东明润明油品销售有限公司	237	-
东明万海氯碱化工有限公司	14,397	14,360
东明前海热力工有限公司	15,783	-
江苏新海化工有限公司	52,344	-
江苏润海油品销售有限公司	14,886	-
山东劲海化工有限公司	137	-
山东洁源环保科技有限公司	49	-
山东东明石化集团鲁班建筑有限公司	26,319	-
江苏新海新能源有限公司	591	-
<b>Purchases from affiliated companies</b>		
山东东明石化集团有限公司	47,433	43,763
东明中油燃料石化有限公司	2,696,465	2,365,514
山东润泽化工有限公司	76,480	46,674
东明石油经销有限公司	1,317	-
山东东明梨树化学有限公司	85,637	203,500
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	-	9,333
东明前海热力工有限公司	551,572	-
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	-
山东劲海化工有限公司	1,441	-
山东洁源环保科技有限公司	2,366	-
山东东明石化集团电力有限公司	1,295	-
<b>Interest expenses on loan charged by affiliated company</b>		
- 山东东明石化集团有限公司	27,362	32,407
<b>Other individually immaterial transactions</b>		
	-	20,711

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

**19. Affiliated companies' transactions (cont'd)**

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

**20. Subsequent events**

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

## OTHER INFORMATION

### 1. Review

The consolidated statement of financial position of Sinostar PEC Holdings Limited and its subsidiaries as at 31 December 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 year then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of Performance of the Group

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

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

#### Revenue

4Q22 Analysis of Revenue	3 months ended 31 December 2022		3 months ended 31 December 2021		+ / (-)
	RMB'000	%	RMB'000	%	
Processed LPG					
- Total	476,109	34.7%	402,800	29.4%	18.2%
- Inter-company**	(338,082)	-24.7%	(248,213)	-18.1%	36.2%
Propylene					
- Total	-	0.0%	-	0.0%	-
- Inter-company**	-	0.0%	-	0.0%	-
Propylene II					
- Total	158,770	11.6%	177,462	12.9%	-10.5%
- Inter-company**	(158,770)	-11.6%	(177,462)	-12.9%	-10.5%
Polypropylene	40	0.0%	73,957	5.4%	-99.9%
Premium grade polypropylene					
- Total	473,532	34.5%	412,441	30.1%	14.8%
- Inter-company**	(3,409)	-0.2%	(7,143)	-0.5%	-52.3%
MTBE	603,018	44.0%	545,324	39.8%	10.6%
Hydrogen	50,472	3.7%	57,802	4.2%	-12.7%
Isobutylene	37,939	2.8%	50,902	3.7%	-25.5%
Other Gas	6,594	0.5%	7,879	0.6%	-16.3%
Logistics and transport related services					
- Total	68,943	5.0%	74,676	5.4%	-7.7%
- Inter-company**	(3,765)	-0.3%	-	0.0%	-
<b>Total</b>	<b>1,371,391</b>	<b>100.0%</b>	<b>1,370,425</b>	<b>100.0%</b>	

## OTHER INFORMATION (CONT'D)

### 2. Review of Performance of the Group (cont'd)

2022 Analysis of Revenue	12 months ended 31 December 2022		12 months ended 31 December 2021		+ / (-)
	RMB'000	%	RMB'000	%	
Processed LPG					
- Total	1,616,412	33.3%	1,383,841	29.4%	16.8%
- Inter-company**	(1,090,700)	-22.5%	(836,402)	-17.7%	30.4%
Propylene					
- Total	-	0.0%	82,883	1.8%	-100.0%
- Inter-company**	-	0.0%	-	0.0%	-
Propylene II					
- Total	560,010	11.6%	665,210	14.1%	-15.8%
- Inter-company**	(559,518)	-11.5%	(540,239)	-11.5%	3.6%
Polypropylene	154,996	3.2%	300,024	6.4%	-48.3%
Premium grade polypropylene					
- Total	1,384,769	28.6%	1,168,847	24.8%	18.5%
- Inter-company**	(12,364)	-0.3%	(7,143)	-0.2%	73.1%
MTBE	2,174,105	44.8%	1,843,060	39.1%	18.0%
Hydrogen	184,558	3.8%	209,609	4.4%	-12.0%
Isobutylene	143,535	3.0%	166,649	3.5%	-13.9%
Other Gas	28,489	0.6%	25,814	0.5%	10.4%
Logistics and transport related services					
- Total	267,676	5.5%	254,056	5.4%	5.4%
- Inter-company**	(3,765)	-0.1%	-	0.0%	-
Total					
	4,848,203	100.0%	4,716,209	100.0%	

\* Supply of LPG to subsidiary Dongming Qianhai

\*\* Supply of Propylene II to immediate holding company Dongming Hengchang

\*\*\* Supply of Premium grade polypropylene to subsidiary Dongming Qianhai

#### (a) Processed LPG

LPG increases by 18.2% from RM402.8 million in 4Q21 to RMB476.1 million in 4Q22, included the inter-company transactions. A total of 83,516 tonnes produced and sold during the periods, an increase of 4.5% as compared to 4Q21. However, average selling prices ("ASP") and average cost of production ("ACP") during the period increase by 10.59% and 15.7% respectively as compared to 4Q21.

LPG increases by 16.8% from RMB1,383.4 million in FY21 to RMB1,616.4 million in FY22 (included inter-company transactions). Total of 280,022 tonnes produced and sold during FY22, a decrease of 14% as compared to FY21. Both the ASP and ACP increase by 42.15% and 35.11% respectively for FY22 as compared to FY21.

#### (b) Propylene II

Propylene II is mainly used to further process into polypropylene and only excess output will be sold to markets. During the 4Q22 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.



## OTHER INFORMATION (CONT'D)

### 2. Review of Performance of the Group (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 production were halted temporarily since July 2022. This caused the revenue to decrease by 99.95% from RMB73.9 million in 4Q21 to RMB0.04 million in 4Q22.

Polypropylene decreases by 48.3% from RMB300 million in FY21 to RMB155 million in FY22. Total output decrease by from 40,300 tonnes in FY21 to 20,900 tonnes in FY22. The ASP decrease by 0.18% and ACP increase by 5.09% as compared to FY21.

#### (d) Premium grade polypropylene

Premium grade polypropylene increase by 14.8% from RMB412.4 million in 4Q21 to RMB473.5 million in 4Q22, included the inter-company transactions.

Total output also increases by 17.42% from 153,990 tonnes in FY21 to 188,766 tonnes in FY22. ASP and ACP decrease by 5.03% and 10.82% respectively as compared to FY21 has resulted in an increase in the revenue by from RMB1,168.8 to RMB1,384.8 million.

#### (e) MTBE

MTBE increases by 10.6% from RMB545.3 million in 4Q21 to RMB603.0 million in 4Q22. Production output increases from 97,182 tonnes in 4Q21 to 97,989 tonnes in 4Q22. Both ASP and ACP during the period increase by 9.67% and 10.24% respectively as compared to 4Q21.

Total MTBE revenue increases by 18.0% from RMB1,843.0 million in FY21 to RMB2,174.0 million in FY22 even though output decreases by 6.3% from 362,691 tonnes in FY21 to 339,703 tonnes in FY22. Both ASP and ACP during FY22 increase by 25.94% and 36.68% respectively as compared to FY21.

#### (f) Propylene II

Propylene II decreases by 100% from RMB177.4 million in 4Q21 to RMB Nil 4Q22, included the inter-company transactions (all 4Q22 output were allocated for premier grade polypropylene production use).

Total revenue decreases by 39.7% from RMB665.2 million in FY21 to RMB401.2 million in FY22, (included the inter-company transactions). During FY22, output decreases by 12.9% to 85,467 tonnes as compared to 98,096 tonnes in FY21. Both ASP and ACP decrease by 3.38% and 12.13% respectively as compared to FY21.

#### (g) Hydrogen

Hydrogen is mainly transacted with an affiliate party for its production utilities consumption. During 4Q22, production output decreases by 12.7% to 3,429 tonnes as compared to 3,935 tonnes in 4Q21. Revenue also decreases 12.7% from RMB57.8 million in 4Q21 to RMB50.5 million in 4Q22.

For FY22, a total output of 12,555 tonnes was transacted with a revenue value of RMB184.6 million compared with 14,271 tonnes with a revenue of RMB209.6 million in FY21.

## OTHER INFORMATION (CONT'D)

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

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

##### **Revenue (Cont'd)**

###### **(h) Isobutylene**

Isobutylene decreases by 25.5% from RMB50.9 million in 4Q21 to RMB37.9 million in 4Q22 due to steeper competition in the market. Total production output 4Q22 decreases by 33.5% to 4,018 tonnes as compared with 6,042 tonnes in 4Q21. Both the ASP and ACP for 4Q22 increase by 17.96% and 7.09% respectively as compared to 4Q21.

For FY22, the decrease in total output by 32.2% to 14,500 tonnes (21,457 tonnes in FY21) together with the increase in both ASP and ACP by 27.45% and 38.23% has resulted in a decrease in revenue by 13.89% to RMB143.5 million as compared to RMB166.6 million in FY21.

###### **(i) Logistics & transport related service**

Revenue from this business decreases by 7.7% from RMB74.7 million in 4Q21 to RMB68.9 million in 4Q22.

However, total revenue for FY22 increases by 5.4% from RMB254.0 million in FY21 to RMB267.7 million, mainly due to increase in transportation demand.

##### **Gross profit**

Gross profit decreases from RMB60.5 million in 4Q21 to approximately RMB42.8 million in 4Q22, and from RMB478.7 million to RMB197.0 million for FY22, mainly is due to the decline in the output of most products, and the increase in cost of sales exceeded the increase in sales price, resulting in a decrease in gross profit margin.

##### **Other income and expenses**

###### **(a) Other income**

Comprise mainly an amount of approximately RMB 3.69 million received in incentive funds from 工业和信息化部支持民营经济高质量发展奖励资金 to support the high-quality development of the private economy.

In FY22, a total of RMB7.6 million was earned from bank interest and balances on non-trade receivables.

###### **(b) Administrative costs**

Increases from RMB28.3 million in FY21 to RMB33.9 million in FY22 mainly due to the fact that during the shutdown of Dongming Hengchang's equipment overhaul, the fixed expenses incurred in the production workshop were included in the management expenses.

###### **(c) Finance costs**

Interests incurred on the loan from non-controlling interest amounted to RMB10.8 million for 4Q22.

For FY22, total of RMB47.4 million interest paid to non-controlling interest and balance on bank loan.

###### **(d) Taxation**

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

## 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)**

##### **(e) Net Profit**

The Group made a net profit of RMB79.06 million in FY22 as compared to RMB307.3 million in FY21.

#### **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 RMB14.6 million of consumables, RMB57.3 million of raw materials and equivalent value of RMB99.0 million on finished petrochemical products, recorded at cost.

##### **(c) Prepayment**

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

##### **(d) Non-controlling interest**

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

##### **(e) Bank Borrowings**

This mainly consists of a bank loan to finance Dongming Hengchang's new polypropylene construction. The loan is guaranteed by the related party Dongming Zhongyou Fuel Petrochemical Co., Ltd. The interest is calculated at a floating rate of 4.41% per annum, repayment is made every six months, and full settlement is scheduled to be completed by January 2027.

As at 31 December 2022, a total of RMB 60.0 million has been repaid.

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

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

As at 31 December 2022, a total of RMB 175.0 million has been repaid.

## OTHER INFORMATION (CONT'D)

### Condensed Interim Consolidated Statement of Cash Flow

As of 31 December 2022, the group generated RMB154.4 million net cash from operating, offset RMB34.4 million and RMB301.6 million net cash used in both investing and financing activities, respectively. As a result, the Group's cash and cash equivalent amounted to RMB521.1 million.

- 3.(i) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital since the end of the previous period reported on. There were no outstanding convertibles issued or treasury shares held by the Company as at 31 December 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.**

	<b>31 December 2022</b>	<b>31 December 2021</b>
Number of issued shares (excluding treasury shares)	640,000,000	640,000,000
Number of treasury shares	NIL	NIL

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

Not applicable.

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

	<b>12 months ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
<b>Profit / (Loss) per share for the period based on net profit attributable to owners of the parent company</b>		
(a) Based on basic number of ordinary shares on issue	0.06	3.39
No. of shares in issue (weighted average)	640,000,000	640,000,000
(b) On a fully diluted basis	0.06	3.39
No. of shares in issue (weighted average)	640,000,000	640,000,000
	<b>12 months ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
<b>Profit / (Loss) per share for the period based on net profit attributable to owners of the parent company</b>		
(a) Based on basic number of ordinary shares on issue	6.16	37.10
No. of shares in issue (weighted average)	640,000,000	640,000,000
(b) On a fully diluted basis	6.16	37.10
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.**

According to the "World Economic Situation and Prospects in 2023" report released by the United Nations on January 25, 2023, with the liberalization of China's COVID-19 prevention and control policies, China's economic growth rate is expected to reach about 4.8% in 2023. Domestic consumer demand will continue to rise in China for the foreseeable future. However, due to the impact of high global inflation and the conflict between Russia and Ukraine, it is expected that the prices of crude oil and natural gas will remain high, and the operating pressure of enterprises will still be relatively high.

The Group has been prudently strengthening internal management, actively exploring the market, paying special attention to the monitoring of working capital, and maintaining a reasonable and optimistic outlook on the long-term demand for the Group's petrochemical products.

## 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?

Yes, S\$0.006 per share

- (c) Date payable

NA

- (d) Book Closure Date

NA.

**OTHER INFORMATION (CONT'D)**

**8. Interested person transactions**

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
<p>For period from January 2022 to December 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., Ltd (东明前海化工有限公司) (transactions are subject to consolidation group eliminations)</p> <ul style="list-style-type: none"> <li>- Processed LPG</li> <li>- Propylene</li> <li>- Recycled Propylene</li> <li>- Utilities</li> <li>- Contra of Utilities on Productions</li> <li>- Logistics &amp; Transport Related Services</li> <li>- Sale of Hydrogen Gas</li> </ul>		<p>1,066,879,724</p> <p>559,518,340</p> <p>12,364,106</p> <p>3,148,340</p> <p>9,813,518</p> <p>3,765,317</p> <p>1,649,200</p>
<p>Dongming Zhongyou Fuel &amp; Petrochemical Co., Ltd (东明中油燃料石化有限公司)</p> <ul style="list-style-type: none"> <li>- Purchase of Raw LPG</li> <li>- Sale of Raw LPG</li> <li>- Sale of obsolete asset<sup>#</sup></li> <li>- Purchase of Utilities</li> <li>- Maintenance of parts and machineries<sup>#</sup></li> <li>- Purchase parts and components</li> <li>- Sale of Hydrogen Gas</li> <li>- Sale of Utilities</li> <li>- Logistics &amp; Transport Related Services</li> </ul>	<p>2,578,105</p> <p>7,634,414</p>	<p>2,665,097,980</p> <p>33,517,046</p> <p>30,859,184</p> <p>507,968</p> <p>497,845,459</p> <p>1,445,771</p> <p>88,052,600</p>

**OTHER INFORMATION (CONT'D)**

**8. Interested person transactions (Cont'd)**

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Shandong Dongming Petrochem Group Co., Ltd (山东东明石化集团有限公司) - Purchase of Utilities, Parts & Components - Contra on Purchase of Utilities - Purchase parts and components - Logistics & Transport Related Services - Accrued Interest on Loan from Non-Controlling Interest - Provide greenery services# - Leasing services# - Sale of parts and components#	        44,887 383,486 3,753	          47,021,584 2,445 408,768 4,318,158 27,361,979
Dongming Runze Petrochemical Co., Ltd (东明润泽化工有限公司) - Purchase of utilities - Purchase parts and components - Sale of Hydrogen Gas - Contra on Purchase of Utilities - Sale of Processed LPG - Logistics & Transport Related Services - Leasing services# - Sale of parts and components#	        46,445 164,867	          21,203,110 50,561,228 133,163,611 4,715,259 70,975,617 4,366,175
Dongming Crude Oil Distribution Co., Ltd (东明石油经销有限公司) - Logistics & Transport Related Services - Purchase of Components - Consignment Fee - Leasing services# - Sale of parts and components#	     199,886 443,962	     1,908,024 1,317,146 3,096,769
Shandong Dongming Lishu Petroleum Co (山东东明梨树化学有限公司) - Sale of Processed LPG - Purchase of LPG - Purchase of Utilities - Sale of Utilities - Logistics & Transport Related Services		     188,158,503 85,619,337 17,214 20,569 3,275,559

## 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)
Dongming Runming Oil Products Distribution Co., Ltd (东明润明油品销售有限公司) - Logistics & Transport Related Services		236,796
Shandong LianHua Energy Group Co., Ltd (山东炼化能源集团有限公司) - Purchase of Propylene		1,347,005
Dongming WanHaiLuiJiang Petrochemical Co., Ltd (东明万海氯碱化工有限公司) - Logistics & Transport Related Services		14,397,092
Dongming Qianhai Reli Co., Ltd (东明前海热力有限公司) - Purchase of Utilities - Contra on Purchase of Utilities - Logistics & Transport Related Services		462,366,186 89,206,095 15,782,656
Jiangsu Xinghai Petrochem Co., Ltd (江苏新海化工有限公司) - Purchase of Propylene - Logistics & Transport Related Services		52,608,111 52,344,389
Jiangsu Runhai Oil Products Distribution Co., Ltd (江苏润海油品销售有限公司) - Purchase of LPG - Purchase of Propylene - Logistics & Transport Related Services		22,895,574 23,635,604 14,885,920



## OTHER INFORMATION (CONT'D)

### 8. Interested person transactions (Cont'd)

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Shandong Jin-hai Petrochemical Pte Ltd (山东劲海化工有限公司) - Utilities on Contra of Production Costs - Logistics & Transport Related Services		1,440,659 136,882
Shandong Jie-Yuan Environmental Technology Pte Ltd (山东洁源环保科技有限公司) - Purchase of Utilities - Contra on Purchase of Utilities - Logistics & Transport Related Services		2,095,810 270,276 49,443
Shandong Dongming Petrochem Group Electricity Pte Ltd (山东东明石化集团电力有限公司) - Utilities on Contra of Production Costs		1,294,779
Shandong Dongming Petrochem Group Lu Ban Construction Pte Ltd (山东东明石化集团鲁班建筑有限公司) - Construction Costs <sup>#</sup> - Logistics & Transport Related Services	13,858,216	12,460,704
Jiangsu Xinghai New Energy Co., Ltd (江苏新海新能源有限公司) - Logistics & Transport Related Services		591,043

<sup>#</sup>These interested parties transactions are not covered under existing IPT mandate approved by shareholders and are not frequent and not of a revenue and trading nature.

<sup>^</sup> The company has convened an EGM on 28 December 2022 and has gained shareholders' approval for the proposed ratification of the Past Recurrent IPTs and the adoption of the proposed new IPT General mandate with the above-mentioned companies. This resulted in the increase of IPTs disclosed under the IPT mandate.

## OTHER INFORMATION (CONT'D)

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Li Xiangping	62	Father of Li Zhi, non-executive Director of the Company.	Non-Executive Chairman Since 2006, Substantial shareholder of the Company.	From non-executive Chairman to Executive Chairman from April 2021.
Li Zhi	37	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

Li Xiang Ping  
Executive Chairman and CEO

Jiang Xinglu  
AC Chairman, Independent Director

Singapore  
1 March 2023