

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

Condensed Financial Statements

For the six months and full year ended 31 December 2021

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

	<u>Note</u>	<u>Group</u> <u>6 months ended</u>			<u>Group</u> <u>12 months ended</u>		
		31 Dec 2021 RMB'000 (Unaudited)	31 Dec 2020 RMB'000 (Unaudited)	% change	31 Dec 2021 RMB'000 (Unaudited)	31 Dec 2020 RMB'000 (Audited)	% change
Revenue	4	1,906,600	1,264,495	50.8	3,563,535	2,313,341	54.0
Cost of sales		<u>(1,818,101)</u>	<u>(1,192,892)</u>	52.4	<u>(3,432,278)</u>	<u>(2,246,931)</u>	52.8
Gross profit		88,499	71,603	23.6	131,257	66,410	97.6
Other operating income	5	4,824	19,375	(75.1)	13,868	22,770	(39.1)
Selling and distribution expenses		<u>(37,226)</u>	<u>(22,277)</u>	67.1	<u>(53,558)</u>	<u>(37,630)</u>	42.3
Administrative expenses		<u>(11,579)</u>	<u>(8,513)</u>	36.0	<u>(18,012)</u>	<u>(15,037)</u>	19.8
Other operating expenses	6	<u>(3,519)</u>	<u>(6,122)</u>	(43)	<u>(12,453)</u>	<u>(10,317)</u>	20.7
Profit from operations before interest		<u>40,999</u>	<u>54,066</u>	(24.2)	<u>61,102</u>	<u>26,196</u>	133.3
Finance costs	7	<u>(5,093)</u>	<u>(4,592)</u>	10.9	<u>(11,790)</u>	<u>(12,825)</u>	(8.1)
Profit before income tax	8	35,906	49,474	(27.4)	49,312	13,371	268.8
Income tax expenses	10	<u>(12,718)</u>	<u>-</u>	N.M.	<u>(16,276)</u>	<u>(2,790)</u>	483.4
Net profit for the financial period		<u>23,188</u>	<u>49,474</u>	(53.1)	<u>33,036</u>	<u>10,581</u>	212.2
Other comprehensive income							
Foreign currency translation differences		<u>395</u>	<u>(98)</u>	N.M	<u>(52)</u>	<u>(152)</u>	(65.8)
Total comprehensive income for the financial period		<u>23,583</u>	<u>49,376</u>	(52.2)	<u>32,984</u>	<u>10,429</u>	216.3
Earnings per share attributable to owners of the Company (RMB fen per share)							
Basic and diluted	11	<u>6.05</u>	<u>12.91</u>		<u>8.62</u>	<u>2.76</u>	212.2

“N.M.” – Not Meaningful

The accompanying notes form an integral part of the condensed financial statements

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

	Note	Group		Company	
		As at 31 Dec 2021 RMB'000 (Unaudited)	As at 31 Dec 2020 RMB'000 (Audited)	As at 31 Dec 2021 RMB'000 (Unaudited)	As at 31 Dec 2020 RMB'000 (Audited)
Non-current assets					
Property, plant and equipment	13	120,768	140,132	2	2
Investment in subsidiaries	14	-	-	156,277	156,277
Total non-current assets		120,768	140,132	156,279	156,279
Current assets					
Inventories	15	213,536	35,970	-	-
Trade and other receivables	16	103,866	184,942	-	-
Due from a related party	17	66,868	62,937	68	68
Derivative financial assets	18	156	2,541	-	-
Margin deposits	19	387	1,603	-	-
Pledged fixed deposits	20	7,912	2,924	-	-
Cash and cash equivalents	21	143,853	201,454	11,535	11,382
Total current assets		536,578	492,371	11,603	11,450
Total assets		657,346	632,503	167,882	167,729
Current liabilities					
Trade and other payables	22	171,461	129,246	3,675	3,570
Due to related parties	17	8,040	7,667	4,151	4,266
Due to a subsidiary	23	-	-	36,511	34,744
Due to holding company	23	1,593	1,631	1,593	1,631
Bank borrowings	24	202,080	242,350	-	-
Lease liabilities-current	25	5,874	14,942	-	-
Income tax payable		17,753	5,555	-	-
Total current liabilities		406,801	401,391	45,930	44,211
Non-current liabilities					
Long-term loans	24	-	10,000	-	-
Deferred tax liabilities		2,326	-	-	-
Lease liabilities-non-current	25	8,005	13,882	-	-
Total non-current liabilities		10,331	23,882	-	-
Total liabilities		417,132	425,273	45,930	44,211
Net assets		240,214	207,230	121,952	123,518
Issued capital and reserves attributable to owners of the Company					
Share capital	26	149,488	149,488	149,488	149,488
Share premium	27	130,298	130,298	130,298	130,298
Statutory reserve	28	15,662	15,662	-	-
Foreign currency translation reserve	29	3,739	3,791	6,488	5,696
Accumulated losses		(58,973)	(92,009)	(164,322)	(161,964)
Total equity		240,214	207,230	121,952	123,518

The accompanying notes form an integral part of the condensed financial statements

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

<u>Group</u>	<u>Share capital</u> RMB'000	<u>Share premium</u> RMB'000	<u>Statutory reserve</u> RMB'000	<u>Foreign exchange translation reserve</u> RMB'000	<u>Accumulated losses</u> RMB'000	<u>Total equity</u> RMB'000
Balance at 1 January 2021	149,488	130,298	15,662	3,791	(92,009)	207,230
Profit for the financial year	-	-	-	-	33,036	33,036
<i>Other comprehensive income:</i>						
Exchange differences on translating foreign operations	-	-	-	(52)	-	(52)
Total comprehensive (loss)/ income for the financial year	-	-	-	(52)	33,036	32,984
Balance at 31 December 2021	<u>149,488</u>	<u>130,298</u>	<u>15,662</u>	<u>3,739</u>	<u>(58,973)</u>	<u>240,214</u>
Balance at 1 January 2020	149,488	130,298	15,662	3,943	(102,590)	196,801
Profit for the financial year	-	-	-	-	10,581	10,581
<i>Other comprehensive loss:</i>						
Exchange differences on translating foreign operations	-	-	-	(152)	-	(152)
Total comprehensive (loss)/income for the financial year	-	-	-	(152)	10,581	10,429
Balance at 31 December 2020	<u>149,488</u>	<u>130,298</u>	<u>15,662</u>	<u>3,791</u>	<u>(92,009)</u>	<u>207,230</u>

The accompanying notes form an integral part of the condensed financial statements

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

<u>Company</u>	<u>Share capital</u> RMB'000	<u>Share premium</u> RMB'000	<u>Statutory reserve</u> RMB'000	<u>Foreign exchange translation reserve</u> RMB'000	<u>Accumulated losses</u> RMB'000	<u>Total equity</u> RMB'000
Balance at 1 January 2021	149,488	130,298	-	5,696	(161,964)	123,518
Loss for the financial year	-	-	-	-	(2,358)	(2,358)
<i>Other comprehensive income:</i>						
Exchange differences on translating foreign operations	-	-	-	792	-	792
Total comprehensive (loss)/income for the financial year	-	-	-	792	(2,358)	(1,566)
Balance at 31 December 2021	<u>149,488</u>	<u>130,298</u>	<u>-</u>	<u>6,488</u>	<u>(164,322)</u>	<u>121,952</u>
Balance at 1 January 2020	149,488	130,298	-	3,943	(162,583)	121,146
Loss for the financial year	-	-	-	-	619	619
<i>Other comprehensive loss:</i>						
Exchange differences on translating foreign operations	-	-	-	1,753	-	1,753
Total comprehensive (loss)/income for the financial year	-	-	-	1,753	619	2,372
Balance at 31 December 2020	<u>149,488</u>	<u>130,298</u>	<u>-</u>	<u>5,696</u>	<u>(161,964)</u>	<u>123,518</u>

The accompanying notes form an integral part of the condensed financial statements

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

RMB'000	Note	12 months ended	
		31 Dec 2021 RMB'000 (Unaudited)	31 Dec 2020 RMB'000 (Audited)
Cash flows from operating activities			
Profit before income tax		49,312	13,371
Adjustments for:			
Depreciation of property, plant and equipment	13	28,892	31,304
Net allowance for doubtful trade receivables	6	270	-
Interest income	5	(701)	(249)
Interest expense	7	11,790	12,825
(Gain)/Loss on disposal of property, plant and equipment		(223)	13
Fair value gain on derivative financial instruments	5	(2,131)	(1,529)
Operating profit before working capital changes		87,209	55,735
Working capital changes:			
Inventories		(177,566)	116,231
Trade and other receivables		80,805	(78,961)
Due from a related party		(3,931)	(5,756)
Margin deposit		1,216	1,613
Trade and Other payables		40,461	(98,245)
Cash generated from/(used in) operations		28,194	(9,383)
Interest income		701	249
Net cash generated from/(used in) operating activities		28,895	(9,134)
Cash flows from investing activities			
Acquisition of property, plant and equipment	13	(14,865)	(2,486)
Proceeds from disposal of derivative financial instruments		4,517	-
Purchase of derivative financial instruments		-	(1,012)
Net cash flows used in investing activities		(10,348)	(3,498)
Cash flows from financing activities			
Increase in pledged fixed deposits		(4,988)	24,669
Due to related parties		488	(357)
Proceeds from bank borrowings		720,423	850,729
Repayment of lease liabilities		(10,614)	(15,872)
Repayment of bank borrowings		(781,254)	(715,970)
Net cash (used in)/generated from financing activities		(75,945)	143,199
Effect of foreign exchange rate change in cash and cash equivalent		(203)	(452)
Net (decrease)/ increase in cash and cash equivalents		(57,398)	130,567
Cash and cash equivalents at beginning of the financial year		201,454	71,339
Cash and cash equivalents at end of the financial year		143,853	201,454

The accompanying notes form an integral part of the condensed financial statements

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

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

1. General

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

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

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

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

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

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

2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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

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

2. Summary of significant accounting policies

2.3 Changes in accounting policies

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

New standards and amendments adopted by the Group

During the current financial year, the Group and the Company have adopted the following amendments to IFRSs which took effect from financial year beginning 1 January 2021:

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

The adoption of the above amendments to IFRS(s) is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the year ended 31 December 2021. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

3. Seasonal operations

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

4. Revenue

	Group	
	12 months ended 31 December	
	2021	2020
	RMB'000	RMB'000
Sale of goods		
- Liquefied petroleum gas ("LPG")	3,414,593	2,181,807
- Propane ("C3")	72,704	64,622
- Butane ("C4")	76,238	66,912
	3,563,535	2,313,341

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

	LPG		C3		C4		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Geographical markets								
PRC	3,414,593	2,181,807	-	-	-	-	3,414,593	2,181,807
Asia Pacific	-	-	72,704	64,622	76,238	66,912	148,942	131,534
	3,414,593	2,181,807	72,704	64,622	76,238	66,912	3,563,535	2,313,341

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

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

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

4. Revenue (Continued)

Contract balances

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

	Group	
	12 months ended 31 Dec	
	2021	2020
	RMB'000	RMB'000
Contract liabilities (Note 22)	(46,932)	(58,585)

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

	Group	
	12 months ended 31 Dec	
	2021	2020
	RMB'000	RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	58,585	33,469
Increases due to cash received, excluding amounts recognized as revenue during the year	(46,932)	(58,585)

5. Other operating income

	Group	
	12 months ended 31 Dec	
	2021	2020
	RMB'000	RMB'000
Tug boat service	831	856
Interest income from fixed deposits	701	249
Vessel rental income	4,078	4,078
Subsidies from government*	1,060	101
Fair value gain on derivative financial instruments	2,131	1,529
Gain on settlement of derivative financial instruments	408	4,656
Gain on disposal of property, plant and equipment	223	-
Foreign exchange gain - net	2,135	7,085
Warehouse handling fee income#	671	3,736
Utilities income	1,484	51
Others	146	429
	<u>13,868</u>	<u>22,770</u>

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

On 6 July 2020, the Group was designated as one of the designated delivery warehouses for LPG by Dalian Commodity Exchange ("DCE"). Warehouse handling fee income pertains to the storage charges at DCE standardised rate.

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

6. Other operating expenses

	Group	
	12 months ended 31 Dec	
	2021	2020
	RMB'000	RMB'000
Bank charges	5,682	4,483
Depreciation of vessel (Note 13)	5,244	5,245
Donation	255	303
Fair value loss on financial assets at fair value through profit or loss	-	134
Net allowance for doubtful trade receivables	270	-
Water and electricity	741	-
Others	261	153
	<u>12,453</u>	<u>10,317</u>

7. Finance costs

	Group	
	12 months ended 31 Dec	
	2021	2020
	RMB'000	RMB'000
Interest expenses on bank borrowings	10,560	11,212
Interest expenses on leases	1,230	1,613
	<u>11,790</u>	<u>12,825</u>

8. Profit before income tax expense

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

	Group	
	12 months ended 31 Dec	
	2021	2020
	RMB'000	RMB'000
Audit fees paid to auditors		
- Auditors of the Company	514	528
- Other auditors	266	192
Depreciation of property, plant and equipment (Note 13)	28,892	31,304
Employee benefit costs (Note 9)	12,096	12,304
Marine freight	37,736	18,856
Loss on disposal of property, plant and equipment	-	13
	<u>-</u>	<u>13</u>

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

9. Employee benefits costs

	Group	
	12 months ended 31 Dec	
	2021	2020
	RMB'000	RMB'000
Salaries, bonuses and allowances	9,621	10,945
Other staff benefits	1,064	985
Contribution to retirement benefits schemes	1,411	374
	<u>12,096</u>	<u>12,304</u>

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

10. Income tax expense

	Group	
	12 months ended 31 Dec	
	2021	2020
	RMB'000	RMB'000
Current income tax expense	<u>16,276</u>	<u>2,790</u>
<u>Reconciliation of effective tax rate is as follows:</u>		
Profit before income tax expense	<u>49,312</u>	<u>13,371</u>
Tax calculated at applicable PRC tax rate of 25%	12,328	3,343
Tax effect of non-taxable items	(265)	(1,014)
Tax effect of non-deductible items	<u>4,213</u>	<u>461</u>
Income tax expense	<u>16,276</u>	<u>2,790</u>

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

Tax laws affecting a subsidiary

a. Foreign investment enterprises income tax rate

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

b. Withholding tax on dividends

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

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

11. Earnings per share

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

	Group	
	12 months ended 31 Dec	
	2021	2020
Profit attributed to equity holders(RM'000)	<u>33,036</u>	<u>10,581</u>
Weighted average number of ordinary shares ('000)	<u>383,288</u>	<u>383,288</u>
Basic and diluted earnings per share (RMB fen)	<u>8.62</u>	<u>2.76</u>

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

There is no dilutive potential ordinary share at 31 December 2021 and 31 December 2020.

12. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
NAV per share (RMB cents)	62.67	54.07	31.82	32.23

Net asset value per ordinary share is calculated using the Group's and the Company's net asset values, as at the end of the respective financial period divided by the number of shares in issue (excluding treasury shares) of 383,288,000 ordinary shares as at 31 December 2021 and 31 December 2020, respectively.

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

13. Property, plant and equipment

Group	Buildings and storage RMB'000	Vessel RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Leasehold improvements RMB'000	ROU RMB'000	Total RMB'000
Cost								
Balance at 1 January 2020	184,174	115,000	18,665	4,397	2,380	13,910	37,007	375,533
Additions	114	-	49	885	410	1,028	15,319	17,805
Disposal / written off	-	-	-	(124)	-	-	(12,879)	(13,003)
Balance at 31 December 2020	184,288	115,000	18,714	5,158	2,790	14,938	39,447	380,335

Balance at 1 January 2021	184,288	115,000	18,714	5,158	2,790	14,938	39,447	380,335
Additions	1,224	-	9,870	2,000	370	1,401	-	14,865
Disposal	-	-	-	(1,764)	(313)	-	(12,480)	(14,557)
Balance at 31 December 2021	185,512	115,000	28,584	5,394	2,847	16,339	26,967	380,643

Accumulated depreciation

Balance at 1 January 2020	128,871	45,403	18,013	2,779	1,833	10,026	9,988	216,913
Charged for the financial year	7,610	5,245	317	451	361	2,747	14,573	31,304
Disposal / written off	-	-	-	(111)	-	-	(12,879)	(12,990)
Balance at 31 December 2020	136,481	50,648	18,330	3,119	2,194	12,773	11,682	235,227

Balance at 1 January 2021	136,481	50,648	18,330	3,119	2,194	12,773	11,682	235,227
Charged for the financial year	7,635	5,244	2,786	315	574	2,420	9,918	28,892
Disposal	-	-	-	(1,587)	(223)	-	(7,410)	(9,220)
Balance at 31 December 2021	144,116	55,892	21,116	1,847	2,545	15,193	14,190	254,899

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

13. Property, plant and equipment (Continued)

<u>Group</u>	Buildings and storage	Vessel	Plant and machinery	Motor vehicles	Office equipment	Leasehold improvements	ROU	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<u>Accumulated impairment losses</u>								
Balance at 1 January 2020	-	4,976	-	-	-	-	-	4,976
Charged for the financial year	-	-	-	-	-	-	-	-
Balance at 31 December 2020	-	4,976	-	-	-	-	-	4,976
Balance at 1 January 2021	-	4,976	-	-	-	-	-	4,976
Charged for the financial year	-	-	-	-	-	-	-	-
Balance at 31 December 2021	-	4,976	-	-	-	-	-	4,976
<u>Carrying amount</u>								
At 31 December 2020	47,807	59,376	384	2,039	596	2,165	27,765	140,132
At 31 December 2021	41,396	54,132	7,468	3,547	302	1,146	12,777	120,768

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

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

14. Investments in subsidiaries

	Company	
	As at 31 Dec 2021 RMB'000	As at 31 Dec 2020 RMB'000
Unquoted equity investment, at cost	221,417	221,417
Less: Allowance for impairment	(65,140)	(65,140)
	156,277	156,277

Details of the subsidiaries are as follow:

Name of subsidiary/ (Principal place of business)	Registered capital	Effective equity held by the Group		Principal activities
		2021	2020	
Chaozhou Ouhua Energy Co., Ltd (PRC)	RMB221,416,000	100%	100%	Import, processing and wholesale of liquefied petroleum gas
Ouhua Energy (Singapore) Pte. Ltd. (Singapore)	S\$100	100%	100%	Dormant

15. Inventories

	Group	
	As at 31 Dec 2021 RMB'000	As at 31 Dec 2020 RMB'000
Raw materials	210,004	35,385
Finished goods	3,532	585
	213,536	35,970

Cost of inventories recognized in cost of sales amounted to approximately RMB 2,895,762,000 (2020: RMB 2,158,700,000) during the financial year.

16. Trade and other receivables

	Group	
	As at 31 Dec 2021 RMB'000	As at 31 Dec 2020 RMB'000
Trade receivables – third parties	9,071	30,026
Less: Loss allowance	(1,169)	(899)
	7,902	29,127
Prepayments	374	1,185
Advances to suppliers	94,764	113,778
Deposit paid	-	35,170
Others	1,194	6,050
Less: Loss allowance	(368)	(368)
	103,866	184,942

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

16. Trade and other receivables (Continued)

Trade receivables from third parties, arising from the Group's contract with its customers, are non-interest bearing and are generally on credit term of 10 days (2020: 10 days). They are recognised as their original invoice amounts which represents their fair values on initial recognition.

Deposit paid pertains to security deposit to DCE for registration of warehouse receipts.

Expected credit loss (ECL) assessment

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors, including their best estimate of the impact of COVID-19, specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries and the growth rates of the major industries in which its customers operate. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 31 December 2021 is RMB 1,169,000 (2020: RMB 899,000).

17. Due from/to related parties

	Group		Company	
	As at 31 Dec 2021 RMB'000	As at 31 Dec 2020 RMB'000	As at 31 Dec 2021 RMB'000	As at 31 Dec 2020 RMB'000
Due from a related party				-
Trade	64,650	62,196	-	
Non-trade	2,218	741	68	68
	<u>66,868</u>	<u>62,937</u>	<u>68</u>	<u>68</u>
Due to related parties				
Non-trade	<u>8,040</u>	<u>7,667</u>	<u>4,151</u>	<u>4,266</u>

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

18. Derivative financial instruments

	Group	
	As at 31 Dec 2021 RMB'000	As at 31 Dec 2020 RMB'000
Derivatives contracts		
Commodity physical derivative instruments	156	1,522
Commodity paper derivative instruments	-	1,019
	<u>156</u>	<u>2,541</u>

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

As at 31 December 2021, the fair value of commodity derivatives is estimated at RMB 156,000 (2020: 2,541,000). The fair values of physical derivative instruments were determined based on price indices after adjusting for contract specific factors. The fair values of paper derivative instruments were determined based on closing quoted market prices on the last market day of the financial year.

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

19. Margin deposits

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

The carrying amounts of margin deposits approximate their fair values.

20. Pledged fixed deposits

Fixed deposits at the end of the financial year have an average period of 3 months (2020: 3 months) from the end of the financial year.

Fixed deposits are pledged with financial institutions as security for banking facilities granted to the Group. The effective interest rate for those fixed deposits is at 0.30% (2020: 0.30%) per annum. The carrying amounts of pledged fixed deposits approximate their fair values.

21. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	As at 31 Dec 2021 RMB'000	As at 31 Dec 2020 RMB'000	As at 31 Dec 2021 RMB'000	As at 31 Dec 2020 RMB'000
Cash balances	228	890	-	-
Bank balances	143,625	200,564	11,535	11,382
	<u>143,853</u>	<u>201,454</u>	<u>11,535</u>	<u>11,382</u>

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

As at 31 Dec 2021, the Group has cash and cash equivalents placed with banks in the PRC amounting to RMB 132,318,000 (2020: RMB 191,606,000). The repatriation of the cash into Singapore is subject to the Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations in the PRC.

22. Trade and other payables

	<u>Group</u>	
	As at 31 Dec 2021 RMB'000	As at 31 De 2020 RMB'000
Trade payables	105,930	29,442
Accrued expenses	5,089	7,445
Interest payable	426	463
Output VAT	-	12,719
Contract liabilities	46,932	58,585
Due to directors	2,369	2,422
Deposit received	1,480	13,939
Others	9,235	4,231
Total trade and other payables	<u>171,461</u>	<u>129,246</u>

Trade payables are non-interest bearing and are normally settled on 30 days (2020: 30 days) terms while other payables have an average term of 10 days (2020: 10 days). The increase in Trade payables results from the undue payables following the big-bulk purchasing of LPG in recent months.

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

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

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

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

23. Due to a subsidiary and holding company

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

24. Bank borrowings

	Group	
	As at 31 Dec 2021 RMB'000	As at 31 Dec 2020 RMB'000
Trust receipts	42,080	72,850
Bank loan A	150,000	150,000
Bank loan B	10,000	29,500
	<u>202,080</u>	<u>252,350</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(202,080)</u>	<u>(242,350)</u>
Amount due for settlement after 12 months (shown under non-current liabilities)	<u>-</u>	<u>10,000</u>

Trust receipts were secured by pledged fixed deposits (Note 20) and corporate guarantees from related parties and personal guarantee by a director.

The average effective borrowing rates for trust receipts range between 4.15% (2020: 4.00%) and 6.00% (2020: 6.00%).

The Group's bank borrowings consist mainly of Bank loan A and Bank loan B:

- a) Bank loan A relates to Renminbi denominated bank loan that is secured by pledged fixed deposits (Note 20) and corporate guarantees from related parties and personal guarantee by a director. The effective interest rate of the bank loan at the reporting date is 4.15% (2020: 4.35%) per annum.
- b) Bank loan B relates to unsecured Renminbi denominated bank loan and is repayable in 4 tranches. Repayment commences on 21 December 2020 and in instalments with final instalment on 23 January 2022. The effective interest rate of the bank loan at the reporting date is 6% (2020: 6%) per annum.

The carrying amounts of bank borrowings approximate their fair values.

25. The Group as a lessee

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

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

Extension options

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

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

25. The Group as a lessee (Continued)

25(a) Right-of-use assets

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

	Office premises and land	Port terminals	Vessel	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Group				
At 1 January 2020	3,087	18,082	5,850	27,019
Additions	2,839	-	12,480	15,319
Depreciation	<u>(1,253)</u>	<u>(4,351)</u>	<u>(8,969)</u>	<u>(14,573)</u>
At 31 December 2020	4,673	13,731	9,361	27,765
Disposal	-	-	(5,070)	(5,070)
Depreciation	<u>(1,278)</u>	<u>(4,349)</u>	<u>(4,291)</u>	<u>(9,918)</u>
At 31 December 2021	<u>3,395</u>	<u>9,382</u>	<u>-</u>	<u>12,777</u>

25(b) Lease liabilities

	Group	
	As at 31 Dec 2021	As at 31 Dec 2020
	RMB'000	RMB'000
Lease liabilities- non-current	8,005	13,882
Lease liabilities – current	<u>5,874</u>	<u>14,942</u>
	<u>13,879</u>	<u>28,824</u>

25(c) Amounts recognised in profit or loss

	Group	
	As at 31 Dec 2021	As at 31 Dec 2020
	RMB'000	RMB'000
Interest expense on lease liabilities	1,230	1,613
Expense relating to short-term leases	<u>4,425</u>	<u>3,540</u>

26. Share capital

	Group and Company					
	2021	2020	2021		2020	
	No. of ordinary shares '000	'000	USD'000	RMB'000	USD'000	RMB'000
Authorized (USD0.05 each)	<u>1,000,000</u>	<u>1,000,000</u>	<u>50,000</u>	<u>390,000</u>	<u>50,000</u>	<u>390,000</u>
Issued and fully paid						
At 1 January and 31 December	<u>383,288</u>	<u>383,288</u>	<u>19,164</u>	<u>149,488</u>	<u>19,164</u>	<u>149,488</u>

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

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

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
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The company did not hold any treasury shares during the period of FY 2021.

27. Share premium

	Group and Company			
	2021		2020	
	US\$'000	RMB'000	US\$'000	RMB'000
At 1 January and 31 December	16,704	130,298	16,704	130,298

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

28. Statutory reserve

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

There is no movement in the Group's statutory reserve in financial year 2021 and 2020 as the Group's PRC subsidiary is in an accumulated loss position at the end of both financial years.

29. Foreign currency translation reserve

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

30. Significant related party transactions

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

- (a) Sale and purchases of goods and services

	Group	
	2021	2020
	RMB'000	RMB'000
Revenue		
Sale of LPG to a related party	227,396	129,795
Expenses		
Lease of port terminals, land use rights, office premises and staff dormitory paid to related parties	(5,741)	(5,741)
LPG transportation freight charges paid to related party	(4,497)	(4,520)
Lease of storage facilities paid to related party	(4,425)	(3,540)

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

30. Significant related party transactions

(b) Compensation of key management personnel

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

	Group	
	12 month ended 31 Dec	
	2021	2020
	RMB'000	RMB'000
Directors' fees	475	419
Director's salaries	941	669
Post-employment benefits	-	18
	<u>1,416</u>	<u>1,106</u>

31. Financial assets and financial liabilities

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

	Note	Group	
		2021	2020
		RMB'000	RMB'000
Financial assets at fair value through profit or loss			
Derivatives financial assets	18	<u>156</u>	<u>2,541</u>
Financial assets at amortised cost			
Trade receivables – third parties	16	7,902	29,127
Other receivables (excluding prepayment and advance to suppliers)	16	826	40,852
Due from a related party	17	66,868	62,937
Margin deposits	19	387	1,603
Pledged fixed deposits	20	7,912	2,924
Cash and cash equivalents	21	<u>143,853</u>	<u>201,454</u>
		<u>227,748</u>	<u>338,897</u>
Financial liabilities at amortised cost			
Trade payables	22	105,930	29,442
Other payables (excluding VAT tax payables and advance from customers)	22	18,599	28,500
Due to a related party	17	8,040	7,667
Due to a holding company	23	1,593	1,631
Bank borrowings	24	202,080	252,350
Lease liabilities	25	<u>13,879</u>	<u>28,824</u>
		<u>350,121</u>	<u>348,414</u>

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

31. Financial assets and financial liabilities (Continued)

	<u>Note</u>	<u>Company</u>	
		<u>2021</u> RMB'000	<u>2020</u> RMB'000
<i>Financial assets at amortised cost</i>			
Cash and cash equivalents	21	11,535	11,382
Due from a related party	17	68	68
		11,603	11,450
<i>Financial liabilities at amortised cost</i>			
Trade and other payables	22	3,676	3,570
Due to related parties	17	4,151	4,266
Due to a subsidiary	23	36,511	34,744
Due to a holding company	23	1,593	1,631
		45,931	44,211

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

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

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

Recurring Fair Value Measurement

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<u>Group</u>			
2021			
Financial assets:			
Derivative financial instruments	-	156	-
2020			
Financial assets:			
Derivative financial instruments	1,019	1,522	-

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

32. Subsequent events

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

Other Information Required by Listing Rule Appendix 7.2

OTHER INFORMATION

1. Review

The Condensed consolidated statements of financial position of OUHUA ENERGY HOLDINGS LIMITED and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Condensed consolidated statement of profit or loss and other comprehensive income

For twelve months ended 31 December 2021 (“FY2021”) vs twelve months ended 31 December 2020 (“FY2020”)

Revenue

Revenue increased by approximately 54% or RMB 1,250.2 million from RMB 2,313.3 million in FY2020 to RMB 3,563.5 million in FY2021 due to significant increase in liquefied petroleum gas (“LPG”) average price from RMB 3,116 per tons in FY2020 to RMB 4,449 per ton in FY2021, while sales volume of liquefied petroleum gas (“LPG”) was stable by comparing the volume of 802,660 tons in FY2021 with that of 794,386 tons in FY2020.

Gross Profit

Gross profit increased by RMB 64.8 million or 97.6% from RMB 66.4 million in FY2020 to RMB 131.3 million in FY2021; Meanwhile, Gross profit margin improved from 2.9% in FY 2020 to 3.7% in FY2021, helped by the greater demand for clean energy in Chinese market following PRC carbon reduction and carbon neutrality policy.

Other operating income

Other operating income decrease from RMB 22.8 million in FY 2020 to RMB 13.9 million in FY2021. The decrease of RMB 8.9 million or 39.1% was mainly attributed to the decrease of warehouse rental income by RMB 3.1 million and the decrease in fair value gains by RMB 2.5 million.

Selling and distribution expenses

Selling and distribution expenses increased by RMB 15.9 million or 42.3% from RMB 37.6 million in FY2020 to RMB 53.6 million in FY2021 due to an increase on marine freight, partially offset by a decrease in depreciation expense.

Administrative expenses

Administrative expenses increased by RMB 2.97 million or 19.8% from RMB 15.0 million in FY2020 to RMB 18.0 million in FY2021 mainly due to an increase in manpower cost.

Other operating expenses

Other operating expenses increased by RMB 2.2 million or 20.7% to RMB 12.5 million in FY2021 from RMB 10.3 million in FY2020 is mainly due to the increase on bank charges and fair value loss on financial assets.

Finance costs

Finance costs decreased by approximately RMB 1.0 million or 19% from RMB 12.8 million in FY2020 to RMB 11.8 million in FY2021 mainly due to lower outstanding bank borrowing.

Profit attributable to equity holders

As a result of the above, the Group recorded net profit attributable to equity holders of RMB 33.0 million in FY2021, compared with net profit of RMB 10.6 million in FY2020.

Review of performance of the Group

Condensed statements of financial position

Non-current assets

Non-current assets decreased by RMB 19.4 million or 13.8% from RMB 140.1 million as at FY2020 to RMB120.8 million as at FY2021 mainly due to depreciation of property, plant and equipment of RMB 28.9 million, partially offset by the acquisition of fixed assets amounting to RMB 9.6 million.

Current assets

Current assets increased by RMB 44.2 million or 9.0% from RMB 492.4 million as at FY2020 to RMB 536.6 million as at FY2021. This is mainly due to the increase in inventories by RMB 177.6 million, partially offset by the decrease in trade and other receivables of RMB 81.1 million and cash and cash equivalents of RMB 57.6 million.

Current liabilities

Current liabilities increased by approximately RMB 5.4 million or 1.3% from RMB401.4 million as at FY2020 to RMB 406.8 million at FY2021. This is mainly due to the increase in trade and other payables of RMB 42.2 million, partially offset by the decrease in bank borrowing of RMB 40.3 million.

Non-Current liabilities

Non-current liabilities decreased by RMB 13.6 million due to reclassification of a bank loans of RMB 10.0 million which falls due within one year and the decrease in lease liabilities of RMB 5.9 million, partially offset by the increase in deferred tax liabilities of RMB2.3 million.

Condensed consolidated statement of cash flows

The Group recorded cash and cash equivalents of RMB 143.9 million as at FY2021. The net decrease of RMB 57.6 million from cash and cash equivalents in FY2020 arose from foreign exchange rate changes of RMB 0.2 million on foreign currency cash balances and net cash outflow from operating, investing and financial activities during FY2021 of RMB 57.4 million.

Net cash generated from operating activities amounted to RMB 28.9 million mainly due to cash utilized in working capital contributed by profit before tax amounting to RMB49.3 million and depreciation of PPE amounting to RMB28.9 million, an increase in trade and other payable of RMB 40.5 million and a decrease on trade and other receivables of RMB 80.8 million, partially offset by an increase in inventories of RMB 177.6 million.

Net cash used in investing activities amounted to RMB 10.3 million was due to purchase of property, plant and equipment, partially offset by proceeds from disposal of property, plant and equipment.

Net cash used in financing activities amounted to RMB 75.9 million mainly due to the repayment in bank borrowings and lease liabilities, partially offset by proceeds from bank borrowing.

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

Not applicable.

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

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

As per the latest forecast of International Monetary Fund, GDP of PRC in FY2022 is expected to grow 4.8% on year-on-year basis. Geopolitical tensions (including the recent Ukraine crisis) have been causing oil price to rise in domestic and oversea market, which will drive inflation higher in upcoming months. This will have unfavorable impact on global economy. Meanwhile, demands for clean energy are getting out of the shadow of the pandemic with clear rebound, which will help fuel our development in future.

China has pledged to reduce carbon emission and achieve carbon neutrality, so we expect liquefied petroleum gas ("LPG") will play more active role in green low-carbon economy. Ouhua is always committed to provide high-quality delivery to serve our customers in South China. Ouhua management, supported by our shareholders, customers, banks and local government, will leverage our abundant experience in LPG industry and risk management skill to stay agile and resilient in long run.

5. **(a) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

	<u>The Group and company</u>					
	2021		2020		2020	
	No. of ordinary shares '000		USD'000		RMB'000	
Authorized (USD0.05 each)	<u>1,000,000</u>	<u>1,000,000</u>	<u>50,000</u>	<u>390,000</u>	<u>50,000</u>	<u>390,000</u>
Issued and fully paid						
At 1 January and						
31 December	<u>383,288</u>	<u>383,288</u>	<u>19,164</u>	<u>149,488</u>	<u>19,164</u>	<u>149,488</u>

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2021 and 31 December 2020.

No shares were bought back by the Company during the financial years ended 31 December 2021 and 31 December 2020 respectively

- (b) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year.**

Not applicable

- (c) 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.**

There were no treasury shares held by the Company during and as at the end of the current financial period reported on.

OUHUA ENERGY HOLDINGS LIMITED AND ITS SUBSIDIARIES

Other Information Required by Listing Rule Appendix 7.2

- (d) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

6. If a decision regarding dividend has been made:

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

None.

- (b) i) Amount per share in cents**

None.

- ii) Previous corresponding period in cents**

None.

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

Not applicable.

- b) The date the dividend is payable.**

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for the year ended 31 December 2021.

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

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

8. If the group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has obtained a general mandate from shareholders for IPTs

Name of interested person	Nature of relationship	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 under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	RMB'000	RMB'000	RMB'000
Chaozhou Huafeng (Group) Incorporation Ltd			
• Lease of LPG transportation vehicles	An associate of our director and controlling shareholder Mr.Liang Guozhan-	2,127	2,127
Guangdong Huajie Logistic Technology CO., Ltd			
• Lease of LPG transportation vehicles	An associate of our director and controlling shareholder Mr.Liang Guozhan-	2,369	2,369
Chaozhou Huaxin Energy Co.,Ltd			
• Lease of storage facilities	An associate of our director and controlling shareholder Mr.Liang Guozhan	4,425	4,425
• Acquisition of storage facilities		8,230	8,230
Chaozhou Zhongkai Huafeng Energy Retail Chain Co., Ltd.			
• Sale of LPG	An associate of our director and controlling shareholder Mr.Liang Guozhan	217,940	217,940
Chaozhou Huafeng Refining Co., Ltd			
• Lease of port terminals, land use rights, office premises and staff dormitory	An associate of our director and controlling shareholder Mr.Liang Guozhan-	2,312	2,312
• Sale of LPG		9,456	9,456
Guangdong Huafeng Zhongtian LNG Co., Ltd			
• Lease of port terminals, land use rights, office premises and staff dormitory	An associate of our director and controlling shareholder Mr.Liang Guozhan-	3,429	3,429

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

9. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

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

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

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

Distribution of total sales by geographical markets

	<u>2021</u> RMB'000	<u>Total</u>	<u>2020</u> RMB'000
<u>Geographical markets</u>			
PRC	3,414,593		2,181,703
Asia Pacific	<u>148,942</u>		<u>131,638</u>
	<u>3,563,535</u>		<u>2,313,341</u>

10. A Breakdown of Sales

	<u>2021</u> RMB'000	<u>Group</u>	<u>2020</u> RMB'000	Increase/ (Decrease) %
(a) Sales reported for first half year	1,656,935		1,048,846	58%
(b) Operating profit/loss after tax before deducting non-controlling interests reported for first half year	9,847		-36,102	N.M
(c) Sales reported for second half year	1,906,600		1,264,495	51%
(d) Operating profit/loss after tax before deducting non-controlling interests reported for second half year	23,190		46,683	-50%

11. Disclosure of persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or Chief Executive Officer or substantial shareholder of the issuer pursuant to Rule 704(13) below:

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


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

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

Confirmation by 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 financial statements for the six-month period and full year ended 31 December 2021 to be false or misleading** in any material aspect.

On behalf of the Board of Directors


Liang Guo Zhan
[Director]


Liang Yaling
[Director]

Chaozhou, Guangdong, PRC

1 March, 2022