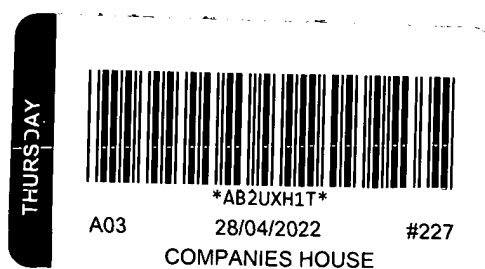


Company Registration No. 09754291

Stemcor Investments Limited

Report and Financial Statements

31 December 2021



Contents

Corporate information2

Strategic report3

Directors’ report.....4

Directors’ responsibility statement5

Independent auditor’s report to the member of Stemcor Investments Limited.....6

Income Statement9

Statement of Comprehensive Income9

Statement of Changes in Equity9

Statement of Financial Position10

Notes to the Financial Statements11

Corporate information

Directors

Andrew Checketts
Steve Graf

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Registered Office

Longbow House
14-20 Chiswell Street
London
England
EC1Y 4TW
United Kingdom

Strategic report

The directors present their strategic report for the period to 31 December 2021.

Review of the business

The Company is a wholly owned subsidiary of Stemcor Global Holdings Limited ("the Group"). The Company's principal activity during the period was that of an investment holding company of the Group. At the date of this report, the directors are not aware of any significant changes to the Company's activities in the year ahead.

The Group manages its operations on a divisional basis. For this reason, the Company's directors believe that key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Principal Risks and Uncertainties

Financing covenants

Stemcor Investments Limited's principal risk is that the Stemcor Group fails to comply with its covenanted obligations within its financing agreements. A covenant breach could lead to a default, which in turn could close trade finance funding to the Group.

Covid-19

During 2021 the Covid-19 pandemic continued to have a global impact, posing a significant worldwide threat to health, with ongoing restrictions on travel in place across the early part of 2021, and a factor in the disruption of many supply chains. At the onset of the pandemic the Group immediately recognised its significance and took a series of measures which have continued to be maintained through 2021 to mitigate the following risks:

- **Operational:** The safety of Stemcor employees was paramount. The Group transitioned employees to a combination of working from home and office rotations, where required by local government guidelines. The remote and agile working arrangements were successfully supported by a robust IT infrastructure, with employees continuing to seamlessly access Group systems through a secure virtual desktop infrastructure.
- **Governance and risk management:** The Group enhanced robust internal governance and risk management structures have been maintained, with the Trading Management Team meeting weekly and focused on Covid-19 response activities. The meeting frequency and reporting of the Groups' other risk management related teams were also increased at the onset of the pandemic.
- **Counterparties:** The Group maintained its very close relationships with its lenders and credit insurers to ensure flexibility to secure support for customers and suppliers enabling the successful execution of trades.

As we enter 2022, following the success of global vaccinations programmes, many national governments have relaxed Covid-19 restrictions significantly and there appears to be a pathway to return to a more normal trading environment.

Other

Other operating, financial and strategic risks which affect the Company are discussed in the Stemcor Global Holdings Limited's 2021 Annual Report and Financial Statements, which does not form part of this report.



Andrew Checketts
Director
22 April 2022

Directors' report

The directors present their report for the year ended 31 December 2021.

Directors of the company

The current directors are shown on page 2.

Results

The results for the period are set out on page 9.

Future developments and subsequent events

The Company has no significant future developments. Subsequent events are reported in note 11.

Going Concern

After having considered the uncertainties disclosed in note 1, the directors believe that the Company has an expectation of managing these risks. Therefore, the directors have prepared the financial statements on a going concern basis.

Indemnities

The Company's articles of association provide, subject to the provisions the Companies Act, that the Company may indemnify any director or former director of the Company in respect of any losses or liabilities he or she may incur in connection with any proven or alleged negligence, default, breach of duty or breach of trust in relation to the Company (including by funding any expenditure incurred or to be incurred by him or her). In addition, directors and officers of the Company and its subsidiaries are covered by Directors' & Officers liability insurance.

Political donations

No political donations were made during the period.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.



Andrew Checketts
Director
22 April 2022

Directors' responsibility statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- present fairly the financial position and financial performance of the company;
- present information including accounting policies in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements of FRS 102 is sufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and deduction of fraud and other irregularities.

Independent auditor's report to the member of Stemcor Investments Limited

Opinion

We have audited the financial statements of Stemcor Investments Limited for the year ended 31 December 2021 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern to the period ending May 2023 being a period of at least a year from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Stemcor Investments Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report to the members of Stemcor Investments Limited (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102), Companies Act 2006, Bribery Act 2010, Companies (Miscellaneous Reporting) Regulation 2018, and the relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand the policies and procedures in place as well as reviewing corroborative evidence as necessary.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by enquiring with management to understand the policies and procedures in place to detect fraud and action accordingly and by considering the risk of management override. We assessed that manual statutory adjustments were an area of the audit which might be more susceptible to fraud. We carried out audit procedures particularly focusing on any manual adjustments to the statutory financial statements.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing minutes from the Board of Directors, enquiring with key management personnel and testing journals identified by specific risk criteria.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

William Binns (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
London

22 April 2022

Income Statement

For the year ended 31 December 2021

| | Notes | 2021 \$'000 | 2020 \$'000 |
|--|-------|----------------|----------------|
| Administrative expenses | | 2 | (4) |
| Operating profit/(loss) | 3 | 2 | (4) |
| Interest payable and similar charges | 4 | (1,177) | (1,398) |
| Loss on ordinary activities before taxation | | (1,175) | (1,402) |
| Tax on loss on ordinary activities | 5 | - | - |
| Loss for the financial year | | (1,175) | (1,402) |

The results above are derived solely from continuing operations.

The accompanying notes are an integral part of the annual accounts.

Statement of Comprehensive Income

For the year ended 31 December 2021

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Loss for the financial year | (1,175) | (1,402) |
| Other comprehensive income for the year | - | - |
| Total comprehensive loss for the year | (1,175) | (1,402) |

Statement of Changes in Equity

For the year ended 31 December 2021

| | Share capital \$'000 | Share premium \$'000 | Profit & loss account \$'000 | Shareholders' equity \$'000 |
|---------------------|----------------------------|----------------------------|------------------------------------|-----------------------------------|
| At 1 January 2020 | 100 | 62,610 | (48) | 62,662 |
| Loss for the year | - | - | (1,402) | (1,402) |
| At 31 December 2020 | 100 | 62,610 | (1,450) | 61,260 |
| Loss for the year | - | - | (1,175) | (1,175) |
| At 31 December 2021 | 100 | 62,610 | (2,625) | 60,085 |

Statement of Financial Position

At 31 December 2021

| | Notes | 2021 \$'000 | 2020 \$'000 |
|---|-------|----------------|----------------|
| Fixed assets | | | |
| Investments | 6 | 129,000 | 129,000 |
| Current assets | | | |
| Creditors: amounts falling due within one year | 7 | (68,915) | (67,740) |
| Net current liabilities | | (68,915) | (67,740) |
| Total assets less current liabilities | | 60,085 | 61,260 |
| Net assets | | 60,085 | 61,260 |
| Capital and reserves | | | |
| Share capital | 8 | 100 | 100 |
| Share premium account | 9 | 62,610 | 62,610 |
| Profit and loss account | | (2,625) | (1,450) |
| Shareholders' equity | | 60,085 | 61,260 |

The accompanying notes are an integral part of the annual accounts.

The financial statements of Stemcor Investments Limited (registered number 09754291) were approved by the Board of Directors and authorised for issue on 22 April 2022.

They are signed on its behalf by:



Andrew Checketts
Director

Notes to the Financial Statements

1. Accounting policies

Stemcor Investments Limited (the Company) is a private limited company limited by shares incorporated in England and Wales. The Registered Office is Longbow House, 14-20 Chiswell Street, London, England, EC1Y 4TW.

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to financial statements of companies for the year ended 31 December 2021.

Basis of preparation

The financial statements of Stemcor Investments Limited were authorised for issue by the Board of Directors on 22 April 2022. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in USD which is the functional currency of the company and rounded to the nearest \$'000.

Exemptions

As permitted by FRS 102 Section 1.12, the company has taken advantage of the exemptions available under that standard in relation to presentation of cash flow statement and the aggregate remuneration of key management personnel. Where required equivalent disclosures are given in the consolidated financial statements of Stemcor Global Holdings Limited.

Going concern

As part of the directors assessment of the Company's ability to continue as a going concern, a parental support letter has been received from Stemcor Global Holdings Limited outlining its agreement to provide assistance to the Company in meeting its liabilities as and when they fall due (but only to the extent that money is not otherwise available to meet such liabilities) for the period to the end of May 2023. The directors have also then considered the going concern assessment undertaken at the Stemcor Group level, with further details included in Stemcor Global Holdings Limited's Annual Report, which does not form part of this report.

After making reasonable enquiries and having carefully considered the matters described above, the directors believe that the Company is a sustainable business, will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence until at least the end of May 2023. Accordingly, the directors continue to adopt the going concern basis in preparing the Strategic Report, the Directors' Report and the financial statements of Stemcor Investments Limited.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of the exchange ruling at the balance sheet date. All differences are taken to the Income Statement.

Notes to the Financial Statements

1. Accounting policies (continued)

Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimates are required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 5.

Investments

Investments are initially valued at cost and reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the income statements and the value of the investment is reduced accordingly. Further details are in note 6.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Income Statement.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of the cash payable. After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance costs in the Income Statement.

Share capital and reserves

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. All issued shares are fully paid and hold the rights to dividends and votes in shareholder meetings.

2. Director's emoluments

Other than the directors, the Company had no employees for the year ended 31 December 2021 (2020: \$nil). None of the directors received any emoluments in respect of their services as directors of the company during the year ended 31 December 2021 (2020: \$nil).

The remuneration of the directors is paid by another entity within the Group (Stemcor Holdings 2 Limited), which makes no recharge to the Company. The directors act in a group capacity only and do not allocate specific time to the company. Therefore, it is not possible to make an accurate apportionment of their emoluments in respect of the Company.

Notes to the Financial Statements

3. Operating profit/(loss)

This is stating after crediting/(charging):

| | 2021 | 2020 |
|------------------------------|--------|--------|
| | \$'000 | \$'000 |
| Foreign exchange differences | 2 | (4) |

The audit fees are borne by another group company (Stemcor Holdings 2 Limited). Non-audit fees paid to the Company's auditor for the period amounted to \$nil (2020: \$nil).

4. Interest payable and similar charges

| | 2021 | 2020 |
|--|--------|--------|
| | \$'000 | \$'000 |
| Interest payable to group undertakings | 1,177 | 1,398 |

5. Tax on loss on ordinary activities

| | 2021 | 2020 |
|--|--------|--------|
| Current Tax | \$'000 | \$'000 |
| UK corporation tax for the period | - | - |
| Total current tax on losses on ordinary activities | - | - |

Factors affecting the total tax charge:

The tax assessed on the loss on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled below:

| | 2021 | 2020 |
|--|----------|----------|
| | \$'000 | \$'000 |
| Loss on ordinary activities before tax | (1,175) | (1,402) |
| Expected tax credit at 19% (2020: 19%) | (223) | (266) |
| Non-deductible expenses | - | (1) |
| Group relief for nil consideration | 55 | 248 |
| Income not taxable | - | 19 |
| Deferred tax not provided on other items | 168 | - |
| Total tax expense | - | - |

There were no deferred tax assets or liabilities at 31 December 2021 (2020: \$nil)

Notes to the Financial Statements

6. Investments

| | Investment in subsidiary companies \$'000 |
|--|--|
| Cost: | |
| At 1 January 2021 | 129,000 |
| At 31 December 2021 | 129,000 |
| Net book value 31 December 2021 | 129,000 |
| Net book value 31 December 2020 | 129,000 |

The subsidiary undertakings of Stemcor Investments Limited at 31 December were as follows:

| Name of Company | Country of incorporation | Holding | Proportion of voting rights and shares held | Nature of Business |
|------------------------------|-----------------------------|-----------------|---|-----------------------|
| Stemcor Acquisitions Limited | UK | Ordinary shares | 100% | Holding Company |

7. Creditors: amounts falling due within one year

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Loan amounts owed to group undertakings | 68,915 | 67,740 |

The intercompany loans payable are interest bearing at 1.65% above USD LIBOR (2020 :1.65%).

Notes to the Financial Statements

8. Share Capital

| | 2021 | 2020 |
|---|--------|--------|
| | \$'000 | \$'000 |
| Called up, allotted and fully paid | | |
| 1,000,001 ordinary shares of \$0.10 each | 100 | 100 |

9. Share Premium

Share premium records the amount above the nominal value received for shares sold, less transaction costs.

10. Contingent liabilities

At 31 December 2021, the company had no material contingent liabilities.

11. Events after the reporting period

There were no events that occurred between the end of the reporting period and the date when the financial statements were authorised for issue that affect the accounts as at 31 December 2021.

12. Related party transactions

The company has taken advantage of the disclosure exemption under FRS102, section 33 Related Party Disclosures paragraph 33.1A, and has not disclosed transactions with other wholly owned subsidiaries of Stemcor Global Holdings Limited.

13. Ultimate parent company and controlling party

The immediate parent company of Stemcor Investment Limited is Stemcor Global Holdings Limited, which is incorporated in Jersey. As such the company has taken the exemption from preparing consolidated accounts on the basis that its immediate parent is established under the law of an EEA state. The ultimate parent company is Cedar Industrial Group Co. Limited, incorporated in China, whose registered office is Room 405, No.4 Hengjun Street, Baiyun District, Guangzhou City, China.

The smallest group which consolidates the Company's accounts at 31 December 2021 is Stemcor Global Holdings Limited. These consolidated accounts can be found on the Jersey Companies House website.

The largest group which consolidates the company's accounts at 31 December 2021 is Cedar Industrial Group Co. Limited. These consolidated accounts can be found on the Shanghai stock exchange website.