

OFFER INFORMATION STATEMENT DATED 13 FEBRUARY 2025

(Lodged with the Monetary Authority of Singapore (“**Authority**”) on 13 February 2025)

THIS DOCUMENT IS IMPORTANT. BEFORE MAKING ANY INVESTMENT IN THE SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BEING OFFERED, YOU SHOULD CONSIDER THE INFORMATION PROVIDED IN THIS DOCUMENT CAREFULLY AND CONSIDER WHETHER YOU UNDERSTAND WHAT IS DESCRIBED IN THIS DOCUMENT. YOU SHOULD ALSO CONSIDER WHETHER AN INVESTMENT IN THE SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BEING OFFERED IS SUITABLE FOR YOU, TAKING INTO ACCOUNT YOUR INVESTMENT OBJECTIVES AND RISK APPETITE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.

A copy of this offer information statement (the “**Offer Information Statement**”), together with copies of the Provisional Allotment Letter (the “**PAL**”), the Application Form for Rights Shares and Excess Rights Shares (the “**ARE**”) and the Application Form for Rights Shares (the “**ARS**”) issued by Sinostar PEC Holdings Limited (the “**Company**”), has been lodged with the Authority. The Authority assumes no responsibility for the contents of this Offer Information Statement, the ARE, the ARS and the PAL. Lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act 2001 of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Shares (as defined herein) being offered for investment.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the dealing in, listing and quotation for up to 320,000,000 Rights Shares on the Main Board of the SGX-ST, subject to fulfilment of certain conditions. Up to 320,000,000 Rights Shares will be admitted to the Official List of the SGX-ST and the official listing of and quotation for up to 320,000,000 Rights Shares will commence after all conditions imposed by the SGX-ST are satisfied, including the certificates for the Rights Shares having been issued and the allotment letters from The Central Depository (Pte) Limited (the “**CDP**”) having been despatched.

The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained and opinions expressed herein. Approval in-principle granted by the SGX-ST for the listing and quotation of up to 320,000,000 Rights Shares is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries or their securities.

Acceptance of applications will be conditional upon the issue of the Rights Shares and upon listing of the Rights Shares on the SGX-ST. Monies paid in respect of any application accepted will be returned if the listing and quotation of the Rights Shares does not proceed.

Notification under Section 309B of the SFA – The Rights Shares are classified as “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018). No Rights Shares shall be allotted or allocated on the basis of this Offer Information Statement later than six (6) months after the date of lodgement of this Offer Information Statement.

Your attention is drawn to the section entitled “Risk Factors” of this Offer Information Statement which should be read carefully.

This Offer Information Statement has been prepared solely in relation to the Rights Issue and shall not be relied by any other person for any other purpose.



中星石化控股有限公司
SINOSTAR PEC HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 5 July 2006)
(Company Registration No. 200609833N)

RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 320,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.14 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING ISSUED SHARES IN THE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS AS AT THE RECORD DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

IMPORTANT DATES AND TIMES

Last date and time for splitting	:	24 February 2025 at 5.00 p.m.
Last date and time for acceptance and payment	:	28 February 2025 at 5.30 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks (capitalised terms defined herein))
Last date and time for renunciation and payment	:	28 February 2025 at 5.30 p.m.
Last date and time for excess application and payment	:	28 February 2025 at 5.30 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)

IMPORTANT NOTICE

Capitalised terms used below which are not otherwise defined herein shall have the same meaning as ascribed to them under “Definitions” of this Offer Information Statement.

For Entitled Depositors (as defined herein, excluding Entitled Scripholders, SRS investors, CPFIS Members and investors who hold Shares through a finance company and/or Depository Agent), acceptances of the Rights Shares and/or (if applicable) applications for Excess Rights Shares may be made through CDP or by way of an Electronic Application.

For Entitled Scripholders (as defined herein), acceptances of the Rights Shares and/or (if applicable) applications for Excess Rights Shares may be made through the Share Registrar of the Company, In.Corp Corporate Services Pte. Ltd..

For renounees of Entitled Shareholders or purchasers of provisional allotments of Rights Shares traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system during the “nil-paid” Rights trading period (the “Purchasers”) whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents. Such renounees and Purchasers are advised to provide their respective finance departments or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of the Rights Shares by such renounees and Purchasers made directly through CDP, Electronic Applications, the Share Registrar and/or the Company will be rejected.

SRS investors, investors who hold Shares through a finance company and/or Depository Agent and CPFIS Members, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through their respective finance companies or Depository Agents. Such investors are advised to provide their respective finance companies, or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances and (if applicable) applications for Excess Rights Shares on their behalf by the Closing Date. Any acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made directly through CDP, Electronic Applications at any ATM of the Participating Bank or an Accepted Electronic Service, the Share Registrar and/or the Company will be rejected.

The existing Shares of the Company are quoted on the Main Board of the SGX-ST.

Persons wishing to subscribe for the Rights Shares offered by this Offer Information Statement or purchase “nil-paid” Rights should, before deciding whether to so subscribe or purchase, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of, *inter alia*, the assets and liabilities, profits and losses, financial position, risk factors and performance and prospects of the Company and the Group and the rights and liabilities attaching to the Rights Shares, the “nil-paid” Rights. They should make, and will be deemed to have made, their own independent enquiries and investigations of any bases and assumptions, upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances (including financial and taxation affairs). No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Any person in doubt as to any action they should take should consult their business, financial legal, tax or other professional adviser before deciding whether to purchase or subscribe for the “nil-paid” Rights, the Rights Shares and/or the Shares.

IMPORTANT NOTICE

No person has been authorised to give any information or to make any representations other than those contained in this Offer Information Statement in connection with the Rights Issue or the allotment and issue of the “nil-paid” Rights and the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance, financial position, prospects or policies of the Company or the Group. Neither the delivery of this Offer Information Statement, nor the allotment and issue of the “nil-paid” Rights and/or the Rights Shares, shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the affairs of the Company and/or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority.

All Entitled Shareholders of the Company and their renounees and the Purchasers should take note of any such announcement, or supplementary or replacement document, and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

The Company is not making any representation, warranty or recommendation whatsoever in this Offer Information Statement to any person regarding the legality or merits of an investment in the “nil-paid” Rights, the Rights Shares, the Shares and/or the Group, by such person under any investment or any other laws or regulations.

Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept, purchase or subscribe for the “nil-paid” Rights and/or the Rights Shares. Prospective subscribers of the Rights Shares should rely on their own investigation of the financial condition and affairs of, and their own appraisal and determination of the merits of investing in, the Company and the Group and shall be deemed to have done so.

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares and may not be relied upon by any persons (other than the Entitled Shareholders to whom this Offer Information Statement and its accompanying documents are despatched by the Company, their renounees and the Purchasers) for any other purpose.

This Offer Information Statement and its accompanying documents may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by anyone in any jurisdiction or under any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement and/or its accompanying documents and the purchase, exercise of or subscription for the Rights or the Rights Shares may be prohibited or restricted by law in certain jurisdictions under the relevant securities laws of those jurisdictions. Entitled Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised by the Company to keep themselves informed of and observe such prohibitions and restrictions at their own expense and without liability to the Company. Please refer to “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further information.

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DEFINITIONS

In this Offer Information Statement, the PAL, the ARE and the ARS, the following definitions apply throughout unless the context otherwise requires or is otherwise stated:

Entities, Corporations and Agencies

“Authority”	:	Monetary Authority of Singapore
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	Sinostar PEC Holdings Limited
“Group”	:	The Company and its Subsidiaries
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	In.Corp Corporate Services Pte. Ltd.
“SIC”	:	The Securities Industry Council of Singapore

General

“9M2023”	:	The nine-month period ended 30 September 2023
“9M2024”	:	The nine-month period ended 30 September 2024
“Accepted Electronic Service”	:	Has the meaning given to it in paragraph 1.3 of Appendix II to this Offer Information Statement
“Acquisition of Dongming Qianhai”	:	The acquisition of thirty per cent (30%) of the equity interest in the registered capital of Dongming Qianhai by Dongming Hengchang from Dongming Petrochem, which was approved by Shareholders at the EGM held on 24 December 2024
“ARE”	:	Application form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of the Nil-Paid Rights allotted to them under the Rights Issue
“ARS”	:	Application form for Rights Shares to be issued to Purchasers in respect of their purchase of Nil-Paid Rights traded on the SGX-ST through the book-entry (scripless) settlement system
“ATM”	:	Automated teller machine
“Board”	:	The board of Directors of the Company as at the date of this Offer Information Statement
“Closing date”	:	(a) 28 February 2025 at 5.30 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company), being the last date and time for acceptance and/or excess application and payment, and renunciation and payment of the Rights Shares under the Rights Issue through CDP or the Share Registrar; or (b) 28 February 2025 at 9.30 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company), being the last date and time for acceptance and/or excess application and payment, renunciation and payment of the Rights Shares under the Rights Issue through an Electronic Application at any ATM of the Participating Bank or an Accepted Electronic Service

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“Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended, supplemented or modified from time to time
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“CPF”	:	Central Provident Fund
“CPF Approved Bank”	:	Any bank appointed by the CPF Board to be an agent bank for the purposes of the CPF Regulations
“CPF Board”	:	The Board of the CPF established pursuant to the Central Provident Fund Act 1953 of Singapore, as amended, modified or supplemented from time to time
“CPF Funds”	:	The CPF account savings of CPF members under the CPFIS-OA
“CPF Investment Account”	:	An account opened by a member of CPF with a CPF Approved Bank from which money may be withdrawn for, <i>inter alia</i> , payment for the Rights Shares pursuant to the Rights Issue
“CPF Investors”	:	Investors who have purchased Shares pursuant to the CPFIS
“CPFIS”	:	Central Provident Fund Investment Scheme
“CPFIS-OA”	:	CPF Investment Scheme – Ordinary Account
“DCS”	:	Direct Crediting Service
“Directors”	:	The directors of the Company as at the date of this Offer Information Statement
“Dongming Changshun”	:	Dongming Changshun Transport Company Limited (东明县昌顺运输有限公司), a Subsidiary
“Dongming Hengchang”	:	Dongming Hengchang Petrochemical Co., Ltd. (东明恒昌化工有限公司), a Subsidiary
“Dongming Petrochem”	:	Shandong Dongming Petrochem Group Co., Ltd. (山东东明石化集团有限公司), where 97.18% of its equity interest is held by Hong Li Yuan as at the Execution Date
“Dongming Qianhai”	:	Dongming Qianhai Petrochemical Co., Ltd. (东明前海化工有限公司), a Subsidiary, where seventy per cent (70%) of its equity interest is held by Dongming Hengchang and thirty per cent (30%) of its equity interest is held by Dongming Petrochem as at the Execution Date
“Dongming Qianhai Purchase Consideration”	:	The consideration of RMB573,598,000 for the Dongming Qianhai Sale Equity payable by Dongming Hengchang to Dongming Petrochem
“Dongming Qianhai Sale Equity”	:	Thirty per cent (30%) of the equity interest in the registered capital of Dongming Qianhai held by Dongming Petrochem

DEFINITIONS

“Dongming Qianhai SPA”	:	The sale and purchase agreement dated 29 October 2024 entered into between Dongming Hengchang and Dongming Petrochem in relation to the Acquisition of Dongming Qianhai
“Dongming Qianhai Valuation Report”	:	The valuation report dated 15 October 2024 issued by the Independent Valuer in relation to the market value of the Dongming Qianhai Sale Equity
“EGM”	:	Extraordinary general meeting
“Electronic Application”	:	Acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made through an ATM of the Participating Bank or an Accepted Electronic Service in accordance with the terms and conditions of this Offer Information Statement
“Electronic Applicant”	:	Entitled Depositors, their renounees or Purchasers who make Electronic Applications through an ATM of the Participating Bank or an Accepted Electronic Service
“Enlarged Share Capital”	:	The enlarged issued and paid-up share capital of the Company immediately after the completion of the Rights Issue
“Entitled Depositors”	:	Shareholders with Shares entered against their names in the Depository Register maintained by CDP as at the Record Date and whose registered addresses with CDP are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholders”	:	Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Record Date and whose registered addresses with the Company are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“EPS”	:	Earnings per Share
“Excess Rights Shares”	:	The provisional allotments of Rights Shares, which are available for application by Entitled Shareholders, subject to the terms and conditions in the ARE, this Offer Information Statement and the Constitution of the Company, comprising Rights Shares not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or Purchasers, together with any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE, this Offer Information Statement and the Constitution of the Company
“Execution Date”	:	29 October 2024, being the date on which the Dongming Qianhai SPA was executed
“Existing Share Capital”	:	640,000,000 Shares, representing the entire issued and paid-up share capital of the Company (excluding treasury Shares), as at the Latest Practicable Date

DEFINITIONS

“First Tranche”	:	The first tranche of the Dongming Qianhai Purchase Consideration, being RMB286,799,000 to be paid by Dongming Hengchang to Dongming Petrochem in cash by way of bank transfer within ten (10) working days from the date of the satisfaction (or, where applicable, the waiver) (as the case may be) of the conditions precedent under the Dongming Qianhai SPA
“Foreign Purchasers”	:	Persons purchasing the provisional allotments of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system and whose registered addresses with CDP are outside Singapore and who had not, at least three (3) Market Days prior to the Record Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
“Foreign Shareholders”	:	Shareholders whose registered addresses with CDP or the Company are outside Singapore as at the Record Date and who had not, at least three (3) Market Days prior to the Record Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
“FY2021”	:	The financial year ended 31 December 2021
“FY2022”	:	The financial year ended 31 December 2022
“FY2023”	:	The financial year ended 31 December 2023
“Group”	:	The Company and its Subsidiaries
“Hong Li Yuan”	:	Shandong Hong Li Yuan Stock Limited Company (山东宏利源股份有限公司) (formerly known as Shandong Dongming Petrochemical Group Holdings Co., Ltd. (山东东明石化集团控股有限公司)), where 99.61% of its equity interest was held by Mr. Li as at the Execution Date
“Independent Valuer”	:	Savills Valuation and Professional Services (S) Pte. Ltd., the independent valuer commissioned by the Company in connection with the Acquisition of Dongming Qianhai
“Intelligent People”	:	Intelligent People Holdings Limited, which is a Shareholder holding 58.13% equity interests in the Company as at the Latest Practicable Date
“Intelligent People Balance Applications”	:	Intelligent People’s subscription (or its procurement of the subscription) of any unsubscribed Rights Shares remaining after the fulfilment of valid applications by other Shareholders for the same under the terms of the Rights Issue
“Issue Price”	:	The issue price of the Rights Shares, being S\$0.14 for each Rights Share
“Last Traded Price”	:	Has the meaning ascribed thereto in the section entitled “Summary of the Principal Terms of the Rights Issue” of this Offer Information Statement

DEFINITIONS

“Latest Practicable Date”	:	7 February 2025, being the latest practicable date prior to the lodgement of this Offer Information Statement
“Listing Manual”	:	The Listing Manual of the SGX-ST, as amended, supplemented or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Mr. Li”	:	Mr. Li Xiangping, the Executive Chairman and CEO, as well as a Controlling Shareholder of the Company who held an indirect interest in 372,048,500 Shares through Intelligent People, representing approximately 58.13% of the total number of Shares (excluding Treasury Shares) as at the Execution Date
“NAV”	:	Net asset value
“Nil-Paid Rights”	:	The “nil-paid” provisional entitlements to subscribe for the Rights Shares under the Rights Issue
“Notification”	:	The notification dated 14 February 2025 containing instructions on how Entitled Shareholders and Purchasers can access this Offer Information Statement electronically in accordance with the Securities and Futures (Offers of Investments) (Temporary Exemption from Sections 277(1)(c) and 305B(1)(b)) Regulations 2020
“Net Proceeds”	:	The estimated net proceeds from the Rights Issue, after deducting estimated expenses of approximately S\$150,000, being approximately S\$44,650,000
“NRIC”	:	National Registration Identity Card
“Offer Information Statement”	:	This offer information statement issued by the Company in respect of the Rights Issue, together with the PAL, the ARE or the ARS (as the case may be) and all other accompanying documents issued by the Company, including, where the context admits, any supplementary or replacement document which may be issued by the Company and lodged with the Authority in connection with the Rights Issue
“PAL”	:	The provisional allotment letter to be issued to the Entitled Scripholders, setting out the provisional allotment of Rights Shares of such Entitled Scripholder under the Rights Issue
“PRC”	:	People’s Republic of China
“Participating Bank”	:	United Overseas Bank at No. 80 Raffles Pl, #1 UOB Plaza, Singapore 048624
“PPE”	:	Plant, property and equipment
“Purchasers”	:	Persons purchasing the provisional allotments of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system
“Qianhai Reli”	:	Dongming Qianhai Reli Co., Ltd. (东明前海热力有限公司), a Subsidiary

DEFINITIONS

“Record Date”	:	5 p.m. on 11 February 2025, being the time and date at and on which the Register of Members and share transfer books of the Company were closed to determine the provisional allotments of Rights Shares to Entitled Shareholders under the Rights Issue and, in the case of Entitled Depositors, at and on which their provisional allotments under the Rights Issue were determined
“Register of Members”	:	The register of members of the Company
“Rights Issue”	:	The renounceable non-underwritten rights issue by the Company of up to 320,000,000 Rights Shares at the Issue Price, on the basis of one (1) Rights Share for every two (2) existing issued Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded
“Rights Shares” or “Rights Securities”	:	Up to 320,000,000 new Shares to be allotted and issued by the Company pursuant to the Rights Issue, each a “Rights Share” or “Rights Security”
“Second Tranche”	:	The second tranche of the Dongming Qianhai Purchase Consideration, being RMB286,799,000 to be paid by Dongming Hengchang to Dongming Petrochem in cash by way of bank transfer on the date of completing the industrial and commercial registration of Dongming Qianhai in respect of the Acquisition of Dongming Qianhai
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“Securities and Futures Act” or “SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time
“SGXNET”	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network(s) as may be prescribed by the SGX-ST
“Shareholders”	:	Registered holders of Shares in the Register of Members or, where CDP is the registered holder, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SRS”	:	The Supplementary Retirement Scheme constituted under the Income Tax (Supplementary Retirement Scheme) Regulations 2003, as amended, supplemented or modified from time to time
“SRS Approved Banks”	:	Approved banks in which SRS Investors hold their respective SRS accounts
“SRS Funds”	:	Monies standing to the credit of the respective SRS accounts of SRS Investors under the SRS
“SRS Investors”	:	Shareholders who as at the Record Date were holding Shares which were subscribed for or purchased under the SRS using their SRS Funds

DEFINITIONS

- “Subsidiary”** : (1) A corporation is (subject to sub-paragraph (3) below) deemed to be a subsidiary of another corporation, if —
- (a) that other corporation —
 - (i) controls the composition of the board of directors of the first-mentioned corporation; or
 - (ii) controls more than half of the voting power of the first-mentioned corporation; or
 - (b) the first-mentioned corporation is a subsidiary of any corporation which is that other corporation’s subsidiary.
- (2) For the purposes of sub-paragraph (1) above, the composition of a corporation’s board of directors is deemed to be controlled by another corporation if that other corporation by the exercise of some power exercisable by it without the consent or concurrence of any other person can appoint or remove all or a majority of the directors, and for the purposes of this definition that other corporation is deemed to have power to make such an appointment if —
- (a) a person cannot be appointed as a director without the exercise in his or her favour by that other corporation of such a power; or
 - (b) a person’s appointment as a director follows necessarily from his or her being a director or other officer of that other corporation.
- (3) In determining whether one corporation is a subsidiary of another corporation —
- (a) any shares held or power exercisable by that other corporation in a fiduciary capacity is to be treated as not held or exercisable by it;
 - (b) subject to sub-paragraphs (3)(c) and (3)(d) below, any shares held or power exercisable —
 - (i) by any person as a nominee for that other corporation (except where that other corporation is concerned only in a fiduciary capacity); or
 - (ii) by, or by a nominee for, a subsidiary of that other corporation, not being a subsidiary which is concerned only in a fiduciary capacity,is to be treated as held or exercisable by that other corporation;

DEFINITIONS

- (c) any shares held or power exercisable by any person by virtue of the provisions of any debentures of the first-mentioned corporation or of a trust deed for securing any issue of such debentures is to be disregarded; and
- (d) any shares held or power exercisable by, or by a nominee for, that other corporation or its subsidiary (not being held or exercisable as mentioned in subparagraph (3)(c)) is to be treated as not held or exercisable by that other corporation if the ordinary business of that other corporation or its subsidiary (as the case may be) includes the lending of money and the shares are held or power is exercisable as aforesaid by way of security only for the purposes of a transaction entered into in the ordinary course of that business

“Substantial Shareholder” : A person who has an interest or interests in one (1) or more voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares (excluding treasury shares) in the Company

“TERP” : Theoretical ex-rights price

“Undertaking” : The undertaking dated 25 April 2024 and extended on 24 October 2024 by way of a supplemental undertaking given by a majority shareholder of the Company, Intelligent People, to the Company

Currencies, Units and Others

“FY” : The financial year ended or ending 31 December

“S\$” or “SGD”, and “Singapore cents” : Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore

“RMB” : Renminbi, the lawful currency of the PRC

“%” or “per cent” : Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any word defined in the Companies Act, the SFA or the Listing Manual or any modification thereof and not otherwise defined in this Offer Information Statement shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or the Listing Manual or such modification thereof, as the case may be.

DEFINITIONS

Any reference to a time or day in this Offer Information Statement shall be a reference to Singapore time and date unless otherwise stated.

Any discrepancies in figures included in this Offer Information Statement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

SUMMARY OF THE PRINCIPAL TERMS OF THE RIGHTS ISSUE

The following is a summary of the principal terms and conditions of the Rights Issue and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

Basis of provisional allotment : One (1) Rights Share for every two (2) existing issued Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

Number of Rights Shares : Based on the Existing Share Capital of the Company of 640,000,000 issued Shares (excluding treasury Shares and subsidiary holdings, if any) as at the Latest Practicable Date, up to 320,000,000 Rights Shares will be issued.

Upon the allotment and issuance of the Rights Shares, the Company will have an Enlarged Share Capital comprising up to 960,000,000 Shares.

Issue Price : S\$0.14 for each Rights Share, payable in full on acceptance and/or application.

The Issue Price of S\$0.14 for each Rights Share represents:

- (i) a discount of 0% to the closing price of S\$0.14 per Share on the SGX-ST on 28 September 2023 (being the full Market Day on which the Rights Issue is announced) (the “**Last Traded Price**”); and
- (ii) a discount of 0% to the theoretical ex-rights price (“**TERP**”)¹ of approximately S\$0.14 per Share based on the Last Traded Price.

The Board is of the view that the Rights Issue is in the interest of the Company. In arriving at this view, as stated in the Company’s response to queries received from the SGX-ST in the Company’s announcement dated 3 October 2023, as the average trading volume of the Shares was low, Shareholders who wished to obtain further equity participation in the Company might not have been able to purchase the Shares from the market at the market price. The Rights Issue was hence undertaken at market price to allow such investors to procure further Shares in the Company. Further, given the low market price, the Board was of the view that the Shares were, at the material time, undervalued. As such, the Board decided that a discount was not necessary for the Rights Issue.

Status of the Rights Shares : The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issuance, rank *pari passu* in all respects with the then-existing Shares for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls on or after the date of issue of the Rights Shares.

Eligibility to participate in the Rights Issue : Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement.

¹ TERP of each share is calculated based on the following formula, assuming completion of the Rights Issue:

$$\text{TERP} = \frac{\text{Market capitalisation of the Company based on the Last Traded Price} + \text{Gross Proceeds from the Rights Issue}}{\text{Number of Shares after completion of the Rights Issue}}$$

SUMMARY OF THE PRINCIPAL TERMS OF THE RIGHTS ISSUE

Listing of the Rights Shares : On 20 May 2024, the SGX-ST had granted its in-principle approval for the listing of and quotation for the Rights Shares on the SGX-ST, subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements for the Rights Issue;
- (b) a written undertaking from the Company that it will comply with Listing Rules 704(30) and 1207(20) in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company announcements on use of proceeds and in the annual report;
- (c) a written undertaking from the Company that it will comply with Listing Rule 877(10) with regards to the allotment of any Excess Rights Shares;
- (d) a written confirmation from financial institution(s) as required under Listing Rule 877(9) that the Undertaking Shareholder who have given the irrevocable undertakings have sufficient financial resources to fulfil their obligations under its undertakings;
- (e) independent shareholders' approval on the Rights Issue (where the Undertaking Shareholder, controlling shareholder of the Company and his associates will abstain from the voting);
- (f) a cash audit and quarterly audit on the utilisation of proceeds from the Rights Issue by the Company's independent auditor;
- (g) Company to announce on SGXNET the opinion of the independent auditor with respect to the disbursement or accumulation of cash, as well as justifications for any material deviation from the use of proceeds disclosed in the announcement of the Company in relation to the Rights Issue dated 28 September 2023², where applicable and at least on a quarterly basis until the proceeds have been fully deployed.

The Company has provided the written Undertakings and confirmations referred to in subparagraphs (b), (c) and (d) to the SGX-ST. Condition (e) has been fulfilled as independent shareholders' approval has been obtained at the extraordinary general meeting ("EGM") of the Company held on 24 December 2024. Conditions (f) and (g) have not been fulfilled as they can only be undertaken after the Company receives the Net Proceeds. The Company anticipates that they would be fulfilled on or around June 2025.

² Following the announcement made by the Company on 28 September 2023 in relation to the Rights Issue, the Company had, on 29 October 2024, announced that it, following discussions within the Board, intends to adjust the utilisation of the Net Proceeds for the expansion of business and the potential acquisition(s) to expand the business and the costs incurred in connection with the Rights Issue, Please refer to paragraphs 3 and 4 of Part 4 of this Offer Information Statement for further details on the use of proceeds from the Rights Issue.

SUMMARY OF THE PRINCIPAL TERMS OF THE RIGHTS ISSUE

The approval in-principle granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Shares, the Company, its Subsidiaries and/or their securities. The SGX-ST assumes no responsibility for the correctness or accuracy of any of the statements made, reports contained or opinions expressed in this Offer Information Statement.

Trading of the Rights Shares : Upon the listing of and quotation for the Rights Shares on the SGX-ST, the Rights Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) in relation to the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited", as the same may be amended from time to time, copies of which are available from CDP. For the purpose of trading on SGX-ST, each board lot of Rights Shares will consist of 100 Shares.

Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market. Shareholders who hold odd lots of Shares may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Shares.

Non-underwritten : The Rights Issue is not underwritten. The Directors are of the opinion that no minimum amount must be raised from the Rights Issue. Accordingly, the Company has decided to undertake the Rights Issue on a non-underwritten basis in view of the cost savings enjoyed by the Company from not having to bear any underwriting fees and commissions.

Acceptance, excess application and payment procedures : Please refer to Appendices II to IV to this Offer Information Statement, and the accompanying PAL, ARE or ARS.

Use of CPF Funds : CPF Investors who wish to accept their provisional allotments or Rights Shares and apply for Excess Rights Shares (if applicable) can only do so, subject to applicable CPF rules and regulations, using monies standing to the credit of their respective CPF Investment Accounts.

Such CPF Investors who wish to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) using CPF Funds must instruct their respective CPF Approved Banks, with which they hold their CPF Investment Accounts, to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) on their behalf. For the avoidance of doubt, CPF Funds may not be used for the purchase of the provisional allotments of Rights Shares directly from the market. Notwithstanding the foregoing, CPF Investors should consult their respective CPF Approved Banks for information and directions as to the use of monies standing to the credit of their respective CPF Investment Accounts.

SUMMARY OF THE PRINCIPAL TERMS OF THE RIGHTS ISSUE

Use of SRS Funds : SRS Investors who wish to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) can only do so, subject to applicable SRS rules and regulations as well as terms and conditions that may be imposed by the respective SRS Approved Banks, using monies standing to the credit of their respective SRS accounts.

Such SRS Investors who wish to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) using SRS monies must instruct their respective SRS Approved Banks in which they hold their respective SRS accounts, to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) on their behalf. For the avoidance of doubt, SRS Funds may not be used for the purchase of the provisional allotments of Rights Shares directly from the market. Notwithstanding the foregoing, SRS Investors should consult their respective SRS Approved Banks for information and directions as to the use of monies standing to the credit of their respective SRS accounts.

Option to scale down : Depending on the level of subscription for the Rights Shares, the Company may, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any of the Shareholders (if such Shareholder chooses to subscribe for his/her/its *pro rata* Rights Share entitlements and/or apply for Excess Rights Shares) to avoid placing the relevant Shareholder and parties acting in concert with him/her/it (as defined in the Singapore Code of Take-overs and Mergers (the “**Code**”)) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up, whether partly or in full, their Rights Shares entitlements fully, and/or to avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Listing Manual, unless prior approval of the Shareholders is obtained in a general meeting.

In respect of the Undertaking Shareholder, as Intelligent People Holdings Limited (“**Intelligent People**”) currently holds more than 50% of the shares in the Company, it will not incur an obligation to make a mandatory general offer under Rule 14.1 of the Code.

The Undertaking : Intelligent People, being the Undertaking Shareholder, has furnished the Undertaking in favour of the Company to, *inter alia*, subscribe for, or procure the subscription of its own *pro rata* entitlement to the Rights Shares and subscribe for or procure the subscription of any unsubscribed Rights Shares remaining after the fulfilment of valid applications by other Shareholders for the same under the terms of the Rights Issue.

The Undertaking Shareholder has provided a letter from a financial institution evidencing that it has sufficient financial resources to fund the subscriptions of the Undertaken Shares. Given the provision of the Undertaking, the Company has certainty that the Rights Issue will be fully subscribed for.

Governing law : Laws of the Republic of Singapore

INDICATIVE TIMETABLE OF KEY EVENTS

An indicative timetable for the Rights Issue is set out below (all references are to Singapore dates and times). For the events listed which are described as “expected”, please refer to future announcement(s) by the Company and/or the SGX-ST for the exact dates of these events.

Last day Shares trade cum-rights	:	7 February 2025
Shares trade ex-rights	:	10 February 2025
Record Date	:	11 February 2025
Date of lodgement of this Offer Information Statement with the Authority	:	13 February 2025
Despatch of the Notification to the Entitled Shareholders (together with the ARE or PAL, as the case may be)	:	14 February 2025
Commencement of trading of “nil-paid” Rights Shares	:	14 February 2025 at 9.00 a.m.
Last date and time for splitting Rights Shares	:	24 February 2025 at 5.00 p.m.
Last date and time for trading of “nil-paid” Rights Shares and sale of “nil-paid” rights of Foreign Shareholders	:	24 February 2025 at 5.00 p.m.
Last date and time for acceptance and payment for the Rights Shares ³	:	28 February 2025 (5.30 p.m. for CDP and 9.30 p.m. for Electronic Applications through any ATM of the Participating Bank or an Accepted Electronic Service)
Last date and time for acceptance and payment for the Rights Shares by renounees	:	28 February 2025 (5.30 p.m. for CDP and 9.30 p.m. for Electronic Applications through any ATM of the Participating Bank or an Accepted Electronic Service)
Last date and time for application and payment for Excess Rights Shares ⁴	:	28 February 2025 (5.30 p.m. for CDP and 9.30 p.m. for Electronic Applications through any ATM of the Participating Bank or an Accepted Electronic Service)
Expected date for issuance of Rights Shares	:	6 March 2025
Expected date for crediting of Rights Shares	:	10 March 2025
Expected date for refund of unsuccessful or invalid applications (if made through CDP)	:	10 March 2025
Expected date for the listing and commencement of trading of Rights Shares	:	10 March 2025 at 9.00 a.m.

³ This does not apply to SRS Investors, CPF Investors and investors who hold Shares through a finance company and/or a Depository Agent, where applicable. Such investors will receive notification letter(s) from their respective approved banks, finance companies, Depository Agents and/or approved CPF Approved Banks and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved banks, finance companies, Depository Agents and/or approved CPF Approved Banks. Any acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made directly through CDP, Electronic Applications at any ATM of the Participating Bank or an Accepted Electronic Service, the Share Registrar and/or the Company will be rejected.

⁴ Refer to Footnote 3.

INDICATIVE TIMETABLE OF KEY EVENTS

Pursuant to Rule 820(1) of the Listing Manual, the Rights Issue will not be withdrawn after the Shares have commenced ex-rights trading. Based on the above timetable, the Shares have commenced ex-rights trading on 10 February 2025 from 9.00 a.m..

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Company does not expect the timetable to be modified. However, the Company may, with the approval of the SGX-ST, modify the timetable subject to any limitation under any applicable law. In that event, the Company will publicly announce any change to the above timetable through an SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

(a) ENTITLED SHAREHOLDERS

Entitled Shareholders are entitled to participate in the Rights Issue and to receive the Notification, together with the ARE or the PAL, as the case may be, and other accompanying documents at their respective Singapore addresses as maintained with the records of CDP or the Share Registrar, as the case may be. Printed copies of this Offer Information Statement will not be despatched to Entitled Shareholders, but may be accessed at the Company's website at the URL www.sinostar-pec.com, and is also available on the SGX-ST's website at the URL <https://www.sgx.com/securities/companyannouncements>. Entitled Depositors who do not receive the AREs may obtain them from CDP or the Share Registrar during the period up to the Closing Date. Entitled Scripholders who do not receive the PALs may obtain them from the Share Registrar during the period up to the Closing Date. Entitled Shareholders will be provisionally allotted the Rights Shares on the basis of their shareholdings as at the Record Date. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or in the case of Entitled Depositors only, trade their provisional allotments of Rights Shares on the SGX-ST during the rights trading period prescribed by the SGX-ST and are eligible to apply for Excess Rights Shares in excess of their provisional allotments under the Rights Issue. For the avoidance of doubt, only Entitled Shareholders (and not the Purchasers or the renounees) shall be entitled to apply for Excess Rights Shares in excess of their provisional allotments under the Rights Issue.

All dealings in, and transactions of, the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update their records or to effect any change in address must reach CDP at 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589, not later than 5.00 p.m. (Singapore time) on a date being three (3) Market Days prior to the Record Date.

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses with the Company. Entitled Scripholders are reminded that any request to the Company to update their records or to effect any change in address must reach Sinostar PEC Holdings Limited c/o the Share Registrar, In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01, City House, Singapore 068877 not later than 5.00 p.m. (Singapore time) on a date being three (3) Market Days prior to the Record Date. Entitled Scripholders may open Securities Accounts with CDP if they have not already done so and to deposit their share certificates with CDP prior to the Record Date so that their Securities Accounts may be credited by CDP with their Shares and the provisional allotments of Rights Shares. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the 12th Market Day from the date of lodgement of the share certificates with CDP or such later date subject to the completion of the lodgement process.

In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and the Substantial Shareholders who have control or influence in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will also not make any allotment and issuance of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The procedures for, and the terms and conditions applicable to, the acceptances, splitting, renunciation and/or sales of the provisional allotments of Rights Shares and the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices II, III and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

(b) CPF INVESTMENT SCHEME

Shareholders who have previously purchased Shares using their CPF Funds under the CPFIS and who wish to accept their provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares using CPF Funds may do so, subject to the applicable CPF rules and regulations. Such Shareholders will need to contact their respective CPF Approved Banks with whom they hold their CPF investment accounts on how they may do so and may not use their CPF Funds to purchase provisional allotments of “nil-paid” Rights Shares directly from the market.

(c) FOREIGN SHAREHOLDERS

This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than in Singapore. The distribution of the Notification, this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Rights Shares will **NOT** be offered to and the Notification, this Offer Information Statement and its accompanying documents have not been and will **NOT** be despatched or disseminated to Foreign Shareholders or into any jurisdictions outside Singapore.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares has been made or will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by any Foreign Shareholder will be valid.

The Notification, this Offer Information Statement and its accompanying documents will also NOT be despatched or disseminated to the Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renounee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of the Rights Shares renounced to him. For the avoidance of doubt, even if a Foreign Shareholder has provided a Singapore address as aforesaid, the offer of Nil-Paid Rights and/or Rights Shares to him will be subject to compliance with applicable securities laws outside Singapore. The Company reserves the right to reject any acceptances of the Rights Shares and (if applicable) any application for Excess Rights Shares where it believes, or has reason to believe, that such acceptance or application may violate the applicable legislation of any jurisdiction.

The Company further reserves the right to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in a jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) of the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore, or (c) purports to exclude any deemed representation or warranty.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Record Date and sent to them by means of a crossed cheque at their own risk by ordinary post, or in such other manner as they may have agreed with CDP for payment of any cash distributions. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, CDP, the Share Registrar and/or their respective officers in connection therewith.

Where the provisional allotments of Rights Shares are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, CDP, the Share Registrar and/or their respective officers in connection therewith.

If such provisional allotments of Rights Shares cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be aggregated and allotted to satisfy applications for Excess Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, CDP, the Share Registrar and/or their respective officers in connection therewith.

Shareholders should note that the special arrangements described above would apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of this Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in those territories.

This Offer Information Statement and/or its accompanying documents are not intended for distribution outside of Singapore.

TRADING

1. LISTING OF AND QUOTATION FOR THE RIGHTS SHARES

In-principle approval was granted by the SGX-ST to the Company on 20 May 2024 for the listing of and quotation for the Rights Shares on the SGX-ST, subject to the conditions set out in this Offer Information Statement. The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Shares, the Company and/or its Subsidiaries.

The listing of the Rights Shares will commence after all the securities certificates have been issued and the notification letters from CDP have been despatched. Upon listing and quotation on the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of, the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP" and the "Terms and Conditions for CDP to act as Depository for the Rights Shares", as the same may be amended from time to time. Copies of the above are available from CDP.

2. ARRANGEMENTS FOR SCRIPLESS TRADING

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (in the case of Entitled Scripholders only) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) in order that the number of Rights Shares and (if applicable) the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept their provisional allotment of Rights Shares and (in the case of Entitled Scripholders only) apply for Excess Rights Shares and have their Rights Shares credited by CDP into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who have provided incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in the Securities Accounts currently maintained with CDP, will be issued physical share certificates for the Rights Shares allotted to them in their own names and (if applicable) the Excess Rights Shares allotted to them. Physical share certificates if issued, will be forwarded to Entitled Scripholders by ordinary post at their own risk but will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder's address stated in the PAL is different from the address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

A holder of physical share certificate(s) of the Company or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit his share certificate(s) with CDP, together with the duly stamped and executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

TRADING

3. TRADING OF ODD LOTS

Shareholders should note that the Rights Issue may result in them holding odd lots of Shares (that is, lots other than board lots of 100 Shares).

Following the Rights Issue, Entitled Depositors who wish to trade all or part of their provisional allotment of Rights Shares on the SGX-ST during the provisional allotments trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST which allows trading of odd lots with a minimum of one (1) Share, during the provisional allotments trading period. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares (i.e. less than 100 Shares) and who wish to trade in odd lots on the SGX-ST will be able to do so on the Unit Share Market of the SGX-ST. The market for trading of such odd lots of Shares may be illiquid. There is no assurance that they can acquire such number of Shares to make up one board lot of 100 Shares, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its Directors, officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, operating results, business strategy, plans and future prospects of the Group’s industry are forward-looking statements. These forward-looking statements, including but not limited to, statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual and/or future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks (both known and unknown), uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be as discussed in those forward-looking statements. Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with any applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency. Where such developments, events or circumstances occur after the lodgement of this Offer Information Statement with the Authority or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same on the SGXNET and, if required, lodge a supplementary or replacement document with the Authority.

The Company is also subject to the provisions of the Listing Manual regarding corporate disclosure.

TAKE-OVER LIMITS

The Code regulates the acquisition of ordinary shares of public companies, including the Company.

Pursuant to the Code, except with the SIC's consent, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, Shares which (taken together with Shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights in the Company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights of the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1.0% of the voting rights of the Company,

such person is required to make a mandatory general offer for all the remaining Shares in the Company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of the Rights Shares pursuant to the Rights Issue or the acceptance of the provisional allotments of Rights Shares and (if applicable) application for Excess Rights Shares, should consult the SIC and/or their professional adviser(s) immediately.

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PART 2: IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

Name of Director	Designation	Address
Li Xiangping	Executive Chairman and CEO	36 Robinson Road, #20-01, City House, Singapore 068877
Yan Tailing	Executive Director, Deputy CEO, CFO	36 Robinson Road, #20-01, City House, Singapore 068877
Li Zhi	Non-Executive Director	36 Robinson Road, #20-01, City House, Singapore 068877
Chen Seow Phun, John	Lead Independent Non-Executive Director	36 Robinson Road, #20-01, City House, Singapore 068877
Jiang Xinglu	Independent Non-Executive Director	36 Robinson Road, #20-01, City House, Singapore 068877
Liu Xiaoyan	Independent Non-Executive Director	36 Robinson Road, #20-01, City House, Singapore 068877

Advisers

2. Provide the names and addresses of —

- (a) the issue manager to the offer, if any;
 (b) the underwriter to the offer, if any; and
 (c) the legal adviser for or in relation to the offer, if any.

Role	Name and Address
Issue Manager to the Rights Issue	: Not applicable as no issue manager has been appointed for the Rights Issue.
Underwriter to the Rights Issue	: Not applicable as the Rights Issue is not underwritten.
Legal adviser to the Company in respect of the Rights Issue	: Shook Lin & Bok LLP 1 Robinson Road AIA Tower #18-00 Singapore 048542

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Registrars and Agents

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities or securities-based derivatives contracts being offered, where applicable.

Role	Name and Address
Share Registrar	: In.Corp Corporate Services Pte. Ltd. 36 Robinson Road, #20-01, City House, Singapore 068877
Receiving Banker	: United Overseas Bank No. 80 Raffles Pl, #1 UOB Plaza, Singapore 048624
Transfer Agent	: Not applicable

PART 3: OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of the securities or securities-based derivatives contracts being offered.

Renounceable non-underwritten rights issue by the Company of up to 320,000,000 Rights Shares at the Issue Price of S\$0.14 for each Rights Share, on the basis of one (1) Rights Share for every two (2) existing issued Shares held by the Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

Based on the Existing Share Capital of the Company of 640,000,000 Shares (excluding treasury Shares) as at the Latest Practicable Date, up to 320,000,000 Rights Shares will be issued pursuant to the Rights Issue.

Method and Timetable

2. Provide the information mentioned in paragraphs 3 to 7 of this Part to the extent applicable to —
- (a) the offer procedure; and
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
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Please refer to paragraphs 3 to 7 of this Part 3 below.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period must be made public.
-

Please refer to the section entitled "Indicative Timetable of Key Events" of this Offer Information Statement.

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As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled “Indicative Timetable of Key Events” of this Offer Information Statement to be modified. However, the Company may, upon consultation with its advisers, and with the approval of the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable laws. In such an event, the Company will publicly announce any modification through a SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

The procedures for and the terms and conditions applicable to the acceptances, splitting, renunciation and/or sales of the provisional allotments of Rights Shares and the application for Excess Rights Shares, including the different modes of acceptances or application and payment are set out in Appendices II, III, and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

4. State the method and time limit for paying up for the securities or securities-based derivatives contracts and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

The Rights Shares and (if applicable) the Excess Rights Shares are payable in full upon acceptance and (if applicable) application.

Please refer to details on the procedures for acceptance and/or application of, and payment for, the Rights Shares and Excess Rights Shares contained in Appendices II, III and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

Please refer to the section entitled “Indicative Timetable of Key Events” of this Offer Information Statement for the last date and time for payment for the Rights Shares and (if applicable) the Excess Rights Shares.

5. State, where applicable, the methods of and time limits for —

- (a) the delivery of the documents evidencing title to the securities or securities-based derivatives contracts being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
 - (b) the book-entry transfers of the securities or securities-based derivatives contracts being offered in favour of subscribers or purchasers.**
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The Rights Shares will be provisionally allotted to Entitled Shareholders on or about 13 February 2025 by crediting the provisional allotments to the Securities Accounts of respective Entitled Depositors or through the despatch of the relevant PALs to Entitled Scripholders, based on their respective shareholdings of the Company as at the Record Date.

In the case of Entitled Scripholders and their renounees with valid acceptances for the Rights Shares and/or (if applicable) successful applications of the Excess Rights Shares and who have, among others, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form comprised in the PAL, share certificate(s) representing such number of Rights Shares will be sent by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date.

In the case of Entitled Depositors and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form(s) comprised in the PAL) with valid acceptances and/or (if applicable) successful applications for Excess Rights Shares, share certificate(s) representing such number of Rights Shares will be sent to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send to the relevant subscribers, at their own risk, a notification letter stating the number of Rights Shares credited to their Securities Accounts.

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Please refer to Appendices II, III and IV to this Offer Information Statement and the PAL, the ARE and the ARS (as the case may be) for more information.

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6. **In the case of any pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**
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Not applicable as no pre-emptive rights have been offered in relation to the Rights Issue.

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7. **Provide a full description of the manner in which results of the allotment or allocation of the securities or securities-based derivatives contracts are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**
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Results of the Rights Issue

The Company will publicly announce the results of the allotment or the allocation of the Rights Shares, as soon as it is practicable after the Closing Date, through a SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

Manner of refund

In the case of any acceptance of Rights Shares and (if applicable) application for Excess Rights Shares which is invalid or unsuccessful, or if an Entitled Shareholder applies for Excess Rights Shares but no Excess Rights Shares are allotted to that Entitled Shareholder, or if the number of Excess Rights Shares allotted to that Entitled Shareholder is less than the number applied for, the amount paid on acceptance and (if applicable) application, or the surplus application monies, as the case may be, will be refunded to the relevant Entitled Shareholder, Purchaser or their renounee by the Company (in the case of Entitled Scripholders) or CDP (in the case of Entitled Depositors and Purchasers) on behalf of the Company without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date by any one or a combination of the following:

- (a) in respect of Entitled Depositors, if they accept and/or (if applicable) apply by way of Electronic Application through any ATM of the Participating Bank or an Accepted Electronic Service, by crediting the applicants' bank accounts with the Participating Bank, at their own risk, with the appropriate amount within three (3) business days after the commencement of trading of the Rights Shares, the receipt by such bank being a good discharge by the Company and CDP of their obligations, if any;
- (b) in respect of Entitled Depositors, if they accept and (if applicable) apply through CDP, by crediting their designated bank accounts via CDP's DCS or in the case where refunds are to be made to Depository Agents, by means of telegraphic transfer. In the event that an applicant is not subscribed to the CDP's DCS, any monies to be returned or refunded will be retained by CDP and reflected under the Cash Transaction section of his CDP monthly account statement (such retention by CDP being good discharge of the Company's and CDP's obligations); or
- (c) in respect of Entitled Scripholders, by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent to them at their mailing addresses as maintained with the Share Registrar by ordinary post at their own risk.

The details of refunding excess amounts paid by applicants are set out in Appendices II, III and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

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PART 4: KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.

Please refer to Paragraphs 2 to 7 below of this Part 4.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (called in this paragraph and paragraph 3 of this Part the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.

Based on the 320,000,000 Rights Shares to be issued, the Net Proceeds (after deducting estimated expenses of approximately S\$150,000) is expected to be approximately S\$44,650,000.

All Net Proceeds will go to the Company for allocation to its principal intended uses set out in paragraph 3 of this Part 4 below.

3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities or securities-based derivatives contracts.

The Company intends to allocate the Net Proceeds in the following manner:

Use of Net Proceeds	Amount	Percentage of Net Proceeds
Expansion of business and acquisition of business	S\$44,650,000	99.67%
Costs incurred in connection with the Rights Issue	S\$150,000	0.33%
Total	S\$44,800,000	100%

As stated in the circular to Shareholders dated 9 December 2024 and the Company's announcement dated 29 October 2024, expansion of business and acquisition(s) of business refers to the acquisition of thirty per cent (30%) equity interest of Dongming Qianhai Petrochemical Co., Ltd. (东明前海化工有限公司) by the Company's wholly owned Subsidiary, Dongming Hengchang Petrochemical Co., Ltd. (东明恒昌化工有限公司), which was approved by Shareholders at the EGM held on 24 December 2024 ("**Acquisition of Dongming Qianhai**"), details of which are set out at Paragraph 5 of this Part 4. The Net Proceeds will be channelled towards the payment of the consideration for the Acquisition of Dongming Qianhai, being RMB573,598,000 (the "**Dongming Qianhai Purchase Consideration**"). The shortfall in the Dongming Qianhai Purchase Consideration not covered by the Net Proceeds shall be financed through the Group's funds in cash.

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In the reasonable opinion of the Directors, there is no minimum amount that needs to be raised from the Rights Issue.

Pending the deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities and/or used for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Group.

The foregoing represents the Company's best estimate of its allocation of the Net Proceeds based on its current plans and estimates regarding its anticipated expenditures. Actual expenditures may vary from these estimates and the Company may find it necessary or advisable to re-allocate the Net Proceeds within the categories described above or to use portions of the Net Proceeds for other purposes. In the event that the Company decides to reallocate the Net Proceeds or use portions for other purposes, it will publicly announce its intention to do so through a SGXNET announcement to be posted on the internet at the SGX-ST's website, <http://www.sgx.com>.

The majority shareholder of the Company (namely, Intelligent People) has given the Undertaking to the Company to, *inter alia*, subscribe for, or procure the subscription of its respective own *pro rata* entitlement to the Rights Shares under the Rights Issue. It has also undertaken to subscribe for or procure the subscription of any unsubscribed Rights Shares remaining after the fulfilment of valid applications by other Shareholders for the same under the terms of the Rights Issue. Given the provision of the Undertaking, the Company has certainty that the Rights Issue will be fully subscribed for.

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- 4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**
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For each dollar of the gross proceeds of approximately S\$44,800,000 that will be raised from the Rights Issue, the Company will allocate:

- (a) approximately 99.67 cents for expansion of business and acquisition of business; and
 - (b) approximately 0.33 cents to pay for the costs incurred in connection with the Rights Issue.
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- 5. If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition and the estimated completion date. Where funds have already been expended for the acquisition, state the amount that has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount that has been paid by the relevant entity or any other entity in the group as at the latest practicable date. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined and whether the acquisition is on an arm's length basis.**
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The Company intends to use the Net Proceeds to partially finance the Acquisition of Dongming Qianhai. As announced by the Company on 29 October 2024, Dongming Hengchang, a wholly owned Subsidiary, had, on 29 October 2024 (the “**Execution Date**”), entered into a sale and purchase agreement (the “**Dongming Qianhai SPA**”) with Shandong Dongming Petrochem Group Co., Ltd. (山东东明石化集团有限公司) (“**Dongming Petrochem**”) to provide for the acquisition of the remaining⁵ thirty per cent (30%) of the equity interest in the registered capital of Dongming Qianhai (the “**Dongming Qianhai Sale Equity**”) by Dongming Hengchang from Dongming Petrochem.

Description of asset, business or entity and Purchase Price

Dongming Qianhai is a limited liability company incorporated in the PRC and is principally engaged in the business of the production and sale of propylene, isobutylene hydrogen, MTBE (methyl tert-butyl ether), dry gas, heavy components and steam.

As at the Execution Date,

- (i) the shareholders of Dongming Qianhai are Dongming Hengchang and Dongming Petrochem, holding 70% and 30% respectively;
- (ii) Dongming Qianhai has a registered capital of RMB400,000,000;
- (iii) the board of directors of Dongming Qianhai comprises Mr. Li Dong (chairman), Mr Li and Mr. Miao Zhenqi; and
- (iv) the legal representative of Dongming Qianhai is Mr. Huang Qiansheng.

Pursuant to the Dongming Qianhai SPA, the Dongming Qianhai Purchase Consideration is RMB573,598,000.

Status of the Acquisition of Dongming Qianhai, Estimated completion date and Amount expended for the Acquisition of Dongming Qianhai

Pursuant to the Dongming Qianhai SPA, the Dongming Qianhai Purchase Consideration shall be satisfied in two (2) tranches:

- (i) RMB286,799,000 to be paid by Dongming Hengchang to Dongming Petrochem in cash by way of bank transfer within ten (10) working days from the date of the satisfaction (or, where applicable, the waiver) (as the case may be) of the conditions precedent under the Dongming Qianhai SPA (the “**First Tranche**”); and
- (ii) RMB286,799,000 to be paid by Dongming Hengchang to Dongming Petrochem in cash by way of bank transfer on the date of completing the industrial and commercial registration of Dongming Qianhai in respect of the Acquisition of Dongming Qianhai (the “**Second Tranche**”).

As at the Latest Practicable Date, the conditions precedent for the Acquisition of Dongming Qianhai have been fulfilled. Accordingly, the First Tranche, amounting to RMB286,799,000, has been paid by Dongming Hengchang to Dongming Petrochem in accordance with the terms of the Dongming Qianhai SPA. As announced by the Company on 31 December 2024, the Acquisition of Dongming Qianhai was completed on 30 December 2024. The Net Proceeds from the Rights Issue will be allocated towards the payment of the Second Tranche.

⁵ As at the Execution Date, Dongming Hengchang held 70% equity interest in Dongming Qianhai. Accordingly, Dongming Qianhai formed part of the Group. Through the Acquisition of Dongming Qianhai, the Company sought to indirectly own 100% of the equity interest in Dongming Qianhai. Following the completion of the Acquisition of Dongming Qianhai, Dongming Qianhai has become a wholly owned indirect Subsidiary, with the Company gaining full control and management of Dongming Qianhai.

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Interested person transactions

As at the Execution Date, Mr. Li Xiangping (“**Mr. Li**”), the Company’s Executive Chairman and CEO, holds an indirect interest in 372,048,500 Shares, representing approximately 58.13% of the total number of Shares (excluding Treasury Shares), and is therefore considered a Controlling Shareholder of the Company under the Listing Manual. Accordingly, Mr. Li and his associates are regarded as interested persons of the Company for the purposes of Chapter 9 of the Listing Manual.

As at the Execution Date, Mr. Li holds 99.61% of the equity interest in the registered capital of Shandong Hong Li Yuan Stock Limited Company (山东宏利源股份有限公司) (“**Hong Li Yuan**”), which in turn holds 97.18% of the equity interest in the registered capital of Dongming Petrochem. As such, both Hong Li Yuan and Dongming Petrochem are regarded as associates of Mr. Li and are therefore considered interested persons of the Company for the purposes of Chapter 9 of the Listing Manual.

Accordingly, the Acquisition of Dongming Qianhai, which is a transaction between Dongming Hengchang (being a wholly-owned Subsidiary and thus an entity at risk) and Dongming Petrochem constitutes an interested person transaction under Chapter 9 of the Listing Manual.

How the cost of the Acquisition of Dongming Qianhai was determined and whether the transaction was on an arm’s length basis

In connection with the Acquisition of Dongming Qianhai, the Company engaged Savills Valuation and Professional Services (S) Pte. Ltd. as the independent valuer (the “**Independent Valuer**”) to conduct a valuation of the Dongming Qianhai Sale Equity and issue a valuation report in relation thereto.

As at the date of issuance of the Dongming Qianhai Valuation Report (as defined herein), the Independent Valuer was a member of the Singapore Institute of Surveyors and Valuers. Further, its ultimate parent company, Savills plc, was a member of the International Valuation Standards Council. Moreover, the professionals of the Independent Valuer who conducted the valuations on the Dongming Qianhai Sale Equity, being Jason Doan and Fu Chuanjie, were members of the Chartered Valuers and Appraisers under the Institute of Valuers and Appraisers of Singapore. Both Jason Doan and Fu Chuanjie have extensive experience in conducting valuations for companies listed on the SGX-ST for restructuring, mergers and acquisitions and capital markets. When considering the appointment of a valuer, the Company selected the Independent Valuer after comparing the qualifications, professional experience, industry standing and fee quotations of three (3) international valuation firms. After a comparative evaluation, the Company ultimately appointed the Independent Valuer to conduct the valuation for the Acquisition of Dongming Qianhai. The Board confirms that neither the Board nor the management of the Company has an actual or potential interest in the Independent Valuer and further confirms that the Independent Valuer is fully independent.

Based on the valuation report dated 15 October 2024 issued by the Independent Valuer in relation to the valuation of the Dongming Qianhai Sale Equity (the “**Dongming Qianhai Valuation Report**”), the market value of the Dongming Qianhai Sale Equity as at the Valuation Date is in the range of RMB573,598,000 to RMB640,247,000. For the avoidance of doubt, this valuation range has included the market value of Qianhai Reli Sale Equity. The Independent Valuer had conducted the valuation of the Dongming Qianhai Sale Equity by using the discounted cash flow method under the income approach as the primary method for the valuation. The Independent Valuer adopted market value as defined under the International Valuation Standards as the basis of value.

Following the issuance of the Dongming Qianhai Valuation Report, the Company managed to negotiate for the Dongming Qianhai Purchase Consideration to be the lower limit of the valuation range, being RMB573,598,000, which is in the interest of the Company and Shareholders. The Dongming Qianhai SPA was negotiated and agreed upon after arm’s length negotiations between Dongming Hengchang and Dongming Petrochem on a “willing buyer willing seller” basis and taking into account prevailing market conditions.

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6. **If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**
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Not applicable. The Net Proceeds will not be used to discharge, reduce or retire the indebtedness of the Company or its Subsidiaries.

7. **In the section containing the information mentioned in paragraphs 2 to 6 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters, or other placement or selling agents in relation to the offer, and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**
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Not applicable. The Rights Issue is not underwritten and no placement or selling agent has been appointed by the Company in relation to the Rights Issue.

Information on the Relevant Entity

8. **Provide the following information:**

- (a) **the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office), and the email address of the relevant entity or a representative of the relevant entity;**

Registered Office	:	36 Robinson Road, #20-01, City House, Singapore 068877
Principal place of business	:	1 Temasek Avenue, #30-01, Millenia Tower, Singapore 039192
Telephone number	:	6715 8404
Facsimile number	:	Not applicable
Email address	:	info@sinostar-pec.com

- (b) **the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;**
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The Group's production facilities are located in Dongming Petrochemical Industrial Park, Dongming County, Shandong Province. The park has extensive infrastructure including water supply, power supply, steam supply, warehousing, security and environmental protection. The Group's strategic partner, Dongming Petrochemical Group is a large chemical enterprise group that is ranked 186 among the top 500 Chinese enterprises in 2023 and is the first private oil refining company in the PRC to obtain crude oil import qualifications with a quota of 9,800,000 tons, which can provide the Group with stable and competitively priced raw material supply. Further, Dongming Petrochemical Industrial Park is located at the junction of Shandong, Henan, Jiangsu and Anhui provinces, and is one of the largest producers and suppliers of downstream petrochemical products within the 400km radius of their production facilities. The region covered by the Company's sales network is densely populated, economically developed, and well-connected in terms of logistics. The Group aspires to be an experienced producer of petrochemical goods as well as a committed supplier of product quality, prompt delivery and good customer service.

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The material Subsidiaries of the Group and their principal activities as at the Latest Practicable Date are as follows:

Name of material Subsidiary	Principal Place of Business	Principal activities	Effective interest held by the Company (%)
Dongming Hengchang	Dongming County, Shandong Province, the PRC	Production and sales of propylene, polypropylene and liquefied petroleum gas	100%
Dongming Qianhai	Dongming County, Shandong Province, the PRC	Production and sales of propylene, isobutylene, hydrogen, MTBE, dry gas, steam, alkanes (40% pentane, 40% hexane, 20% alkanes containing 8 or more carbon atoms)	100%
Dongming Changshun	Dongming County, Shandong Province, the PRC	Road transportation of dangerous goods, road transportation of goods (excluding dangerous goods), handling and loading services	100%

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- (c) **the general development of the business from the beginning of the period comprising the 3 most recently completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since —**
- (i) **the end of the most recently completed financial year for which financial statements of the relevant entity have been published; or**
- (ii) **the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**
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The general development of the Group's business since FY2022 to the Latest Practicable Date are set out below in chronological order. The significant developments included in this section have been extracted from and summarised herein based on the related announcements released by the Company via SGXNET and the information presented herein is correct as at the date of the relevant announcement.

Shareholders are advised to refer to the public announcements released by the Company via SGXNET and Part 5 of this Offer Information Statement for further details.

General Development in FY2021

- (a) On 23 January 2021, Dongming Hengchang received incremental value-added tax rebates of RMB13.1299 million.
- (b) On 18 March 2021, Dongming Hengchang's 200,000 tons per year high-end polypropylene device, with an investment of RMB780 million, successfully started and produced qualified products. The successful commissioning of the said device allowed opportunities for the rapid development of the Group. The polypropylene output of the Group has increased from the original 50,000 tons per year to 250,000 tons per year.

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- (c) On 8 April 2021, Dongming Qianhai Petrochemical and Dongming Hengchang respectively received a subsidy of RMB300,000 and RMB269,000 in respect of work in lieu of training.
- (d) On 30 June 2021, Dongming Qianhai Petrochemical made more efforts to tackle key technical problems, optimised process parameters, achieved long-term stable operation of the device through technical transformation, applied new technologies to carry out technical transformation of gas valve, and extended the maintenance cycle of dry gas compressor from 15 days to a minimum of 60 days.
- (e) On 13 July 2021, Dongming Qianhai Petrochemical passed the evaluation of “Provincial Green Factory” and was certified as a “Provincial Green Factory”, which laid the foundation for the Group’s sustainable and healthy development.
- (f) In 2021, Dongming Hengchang’s 200,000 tons per year high-end polypropylene device operated stably and the development of new products progressed steadily. The Group fully utilised the imported LyondellBasell technology and successively developed and produced five (5) high-transparent random copolymer polypropylene series products and five (5) thin-wall injection molding HP648T-M series products, thereby becoming the largest supplier of thin-wall injection molding PP in Central China. A technological breakthrough has been achieved in research and development of anti-impact copolymer products, and two (2) products among the series of products developed and produced have filled the domestic gap and could achieve import substitution.
- (g) On 29 December 2021, Dongming Hengchang received an interest subsidy of RMB4.1732 million for significant technological transformations from the local government.

General Development in FY2022

- (a) On 22 March 2022, Dongming Qianhai was awarded the title of “Water-Saving Model Enterprise of Shandong Province”.
- (b) On 3 May 2022, the development of high-end polypropylene products continued to advance, and the new tube material PA14D and M900 ultra-high melt index polypropylene products were successfully trial-produced in the single-loop tube reactor of the polypropylene device, and the customised polypropylene material RP344\MT60 products were also developed and produced successively, which successfully opened the South China market.
- (c) On 20 July 2022, Dongming Hengchang obtained the certificates of “National Petrochemical Industry Quality Leading Product (全国石油化工行业质量领先品)”, “National Quality and Reputation Assurance Product (全国质量信誉保障产品)” and “National Quality Inspection Integrity Enterprise (全国质量检验诚信企业)”.
- (d) On 22 August 2022, Dongming Hengchang received a reward fund of RMB3.6939 million from the Heze City Bureau of Industry and Information Technology (菏泽市工业和信息化局) in support of the high-quality of private economy.
- (e) In August 2022, Dongming Hengchang phased out and dismantled its 100,000 tons per year gas separation device, reducing its gas separation capacity from the original 550,000 tons per year to 450,000 tons per year. This said device commenced operation in December 2000 and was decommissioned in 2020. The decommissioning of the said device would not have an impact on the operation of the Group.

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- (f) On 30 August 2022, Dongming Hengchang's 200,000 tons per year polypropylene device achieved a domestic substitution for imported catalysts through scientific research and innovation. By using the domestically produced SP4 catalyst to replace the imported Basell ZN-128 catalyst, each ton of catalyst can save more than RMB700,000 in costs.
- (g) On 1 September 2022, Dongming Qianhai and Dongming Hengchang was respectively awarded the honour of provincial-level "Specialised, Differential, Refined and Innovative" enterprise.
- (h) In 2022, Dongming Hengchang continuously carried out comprehensive value chain optimisation management, and various indicators were optimised and improved. From September to December, the comprehensive energy consumption of the polypropylene device was consistently lower than the advanced industry value of 91.57 kg per ton of product for four (4) consecutive months.

General Development in FY2023

- (a) On 7 April 2023, joint workshops conducted by Dongming Qianhai was awarded the title of "Shandong Province's Youth Safety Production Demonstration Post".
- (b) On 16 June 2023, Dongming Hengchang passed the site inspection of quality, environment, occupational health, safety and energy management system certification for the 200,000 ton polypropylene area and obtained the relevant certificate(s) on 8 October 2023.
- (c) As of the end of June, the technical demonstration and design work, including the "seven chains" transformation of Dongming Qianhai loading and unloading area, the VOCS treatment transformation, the long-distance steam fire protection transformation of the high-risk areas, and the energy-saving transformation of reciprocating compressors, have been completed in the aspects of environmental protection and quality improvement, energy conservation and efficiency increase, as well as the launch of new products, and the technical demonstration work for the development of new high-end polyethylene and polypropylene products of Dongming Hengchang was also completed.
- (d) In May 2023, Dongming Qianhai completed its three-year project in equipment overhaul. Through the equipment overhaul, identified safety hazards were eliminated, operating efficiency was improved and energy consumption of such equipment was significantly reduced.
- (e) In November 2023, Dongming Hengchang, through the efforts of its technical team, successfully developed new polypropylene products, including M450, RP340S, RP240N and HC8016.
- (f) In December 2023, Dongming Hengchang and Dongming Qianhai launched its digital intelligence systems online. The PID production systems parameter tuning and the systematic construction of the SAP ERP business and finance integration enable the Group to retrieve production data in real time, optimising financial, personnel and supply chain management processes, which vastly improves the Group's data analysis capabilities, accuracy and efficiency.

General Development in 9M2024

- (a) On 2 January 2024, Dongming Qianhai was awarded the title of "Shandong Province's Most Advanced Small and Medium Enterprise".

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- (b) In February 2024, Dongming Qianhai was awarded the title of “Heze City’s High Growth Enterprise”.
- (c) On 23 April 2024, Dongming Hengchang showcased its high-end polypropylene products at the Shanghai International Rubber and Plastics Exhibition, receiving unanimous praise from customers.
- (d) On 27 April 2024, Dongming Hengchang successfully launched its MES system and Pision platform, marking a new milestone in the Company’s digital and intelligent management process.
- (e) On 30 April 2024, Dongming Hengchang successfully implemented its PI system.
- (f) On 14 May 2024, Dongming Hengchang successfully trial-produced the ultra-transparent polypropylene material HC8026 and developed propylene-butene and terpolymer.
- (g) On 15 July 2024, due to extreme weather, large-scale power outages occurred in the areas where Dongming Hengchang and Dongming Qianhai operate. The Company actively carried out emergency measures.
- (h) On 23 August 2024, Dongming Hengchang and Dongming Qianhai organised a company-wide “One-Day Charity Donation” event, contributing to philanthropic efforts.
- (i) On 21 August 2024, Dongming Hengchang was honoured with the title of “Provincial Green Factory.”
- (j) On 19 to 21 September 2024, Dongming Hengchang’s high-end polypropylene products were showcased at the China International Chemical Industry Exhibition.
- (k) On 27 September 2024, the Company held an anti-corruption awareness seminar, attended by all management and key personnel.

General Developments from 30 September 2024 to the Latest Practicable Date

- (a) On 9 November 2024, Dongming Qianhai successfully passed the on-site review for second-level safety standardisation compliance.
- (b) On 20 November 2024, the high-purity isobutylene workshop at Dongming Qianhai completed its annual production target 40 days ahead of schedule.
- (c) On 22 November 2024, Dongming Qianhai’s joint workshop completed a technical transformation project for the dehydrogenation unit, which is expected to save over 3 million yuan annually in production costs.
- (d) On 14 December 2024, Dongming Hengchang’s 200,000-ton high-end polypropylene facility completed its annual processing task 16 days ahead of schedule.
- (e) On 16 December 2024, Dongming Qianhai was awarded the title of “National Green Factory”.
- (f) On 19 December 2024, Dongming Hengchang was successfully included in Shandong Province’s High-End Brand Cultivation Directory.
- (g) On 3 February 2025, Dongming Hengchang and Dongming Qianhai conducted the “First Lesson of Work Resumption” safety production training.

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- (d) **the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing —**
- (i) **in the case of the equity capital, the issued capital; or**
 - (ii) **in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**
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As at the Latest Practicable Date, the equity capital and loan capital of the Company are as follows:

Issued and paid-up share capital	: RMB316,125,000
Number of ordinary shares in issue (excluding treasury shares)	: 640,000,000
Loan capital	: Not applicable

- (e) **where —**
- (i) **the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or**
 - (ii) **the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;**
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As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares, based on information recorded in the Register of Substantial Shareholders maintained by the Company are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Intelligent People	329,996,000	51.56	42,052,500	6.57 ⁽²⁾
Mr. Li	—	—	372,048,500 ⁽³⁾	58.13 ⁽³⁾

Notes:

- (1) The above percentages are calculated based on the total number of 640,000,000 Shares (excluding Treasury Shares) as at the Latest Practicable Date, and rounded to the nearest two (2) decimal places.
 - (2) Intelligent People is deemed to be interested in 42,052,500 Shares held on its behalf under the name of its nominee – Philip Securities Pte. Ltd.
 - (3) Mr. Li, by virtue of the provisions of Section 4 of the SFA, is deemed to have an interest in the aggregate number of 372,048,500 Shares that Intelligent People is interested or deemed to be interested in, due to his 100% shareholding interest in Intelligent People.
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- (f) **any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**
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As at the date of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings to which any member of the Group is a party or which is pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

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- (g) where any securities, securities-based derivatives contracts or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date —
- (i) if the securities, securities-based derivatives contracts or equity interests have been issued for cash, state the prices at which the securities or securities-based derivatives contracts have been issued and the number of securities, securities-based derivatives contracts or equity interests issued at each price; or
 - (ii) if the securities, securities-based derivatives contracts or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities, securities-based derivatives contracts or equity interests;
-

The Company has not issued any securities, securities-based derivatives contracts or equity interests for cash or for services (in respect of services provided by a service provider as opposed to services provided in the course of employment) within the 12 months immediately preceding the Latest Practicable Date.

- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.
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Not applicable. Neither the Company nor its Subsidiaries have during the two (2) years immediately preceding the date of lodgement of this Offer Information Statement entered into any material contracts.

PART 5: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from —
- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recently completed financial years) for which that statement has been published; and
 - (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.
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2. The data mentioned in paragraph 1 of this Part must include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and must in addition include the following items:
- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
 - (b) earnings or loss per share;
 - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.
3. Despite paragraph 1 of this Part, where —
- (a) unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recently completed financial year; and
 - (b) the audited financial statements for that year are unavailable,

the data mentioned in paragraph 1 of this Part in respect of the most recently completed financial year may be provided from such unaudited financial statements, if the directors or equivalent persons of the relevant entity include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recently completed financial year.

The consolidated income statements of the Group for FY2021, FY2022, FY2023 and 9M2024 are set out below:

	FY2021 RMB'000 (Audited)	FY2022 RMB'000 (Audited)	FY2023 RMB'000 (Audited)	9M2023 RMB'000 (Unaudited)	9M2024 RMB'000 (Unaudited)
Revenue	4,716,209	4,848,203	5,333,091	3,772,594	4,066,564
Cost of sales	(4,237,518)	(4,651,227)	4,933,028	(3,460,391)	(3,765,755)
Gross profit	478,691	196,976	400,063	312,203	300,809
Other income	13,476	12,815	102,303	101,652	8,289
Distribution costs	(269)	(253)	(6,233)	(1,568)	(6,406)
Administrative expenses	(28,266)	(33,928)	(36,684)	(18,624)	(25,977)
Other expenses	(353)	(273)	(5,656)	(5,048)	(572)
Finance costs	(49,128)	(47,678)	(34,721)	(27,039)	(17,185)
Profit before tax	414,151	127,659	419,072	361,576	258,958
Income tax credit / (expense)	(106,833)	(48,595)	(105,902)	(78,582)	(57,034)
Net Profit for the period	307,318	79,064	313,170	282,994	201,924

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	FY2021 (Audited)	FY2022 (Audited)	FY2023 (Audited)	9M2023 RMB'000 (Unaudited)	9M2024 RMB'000 (Unaudited)
Dividends per Share					
Dividends per Share (RMB cents)	2.42	2.89	–	–	2.68
Dividends per Share (Singapore cents)	0.50	0.60	–	–	0.50
EPS before the Rights Issue (RMB cents)					
Basic	37.10	6.16	34	31.13	22.56
Diluted	37.10	6.16	34	31.13	22.56
EPS after the Rights Issue (RMB cents)					
Basic	24.73	4.11	22.67	20.75	15.04
Diluted	24.73	4.11	22.67	20.75	15.04

4. In respect of —

- (a) each financial year (being one of the 3 most recently completed financial years) for which financial statements have been published; and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the Group.

A summary of the operations, business and financial performance of the Group, as extracted and summarised from the related announcements released by the Company via SGXNET, is set out below.

Shareholders are advised to refer to the public announcements released by the Company via SGXNET for further details.

9M2024 vs 9M2023

Revenue

In 9M2024, the Group's revenue was RMB40.67 billion, representing an increase of 7.8% from RMB37.73 billion in 9M2023. Amongst the Group's revenue in 9M2024, the revenue from the gas segment was RMB38.48 billion, representing an increase of 9.22% from RMB35.23 billion in 9M2023. This growth was primarily driven by a higher sales volume from January to September 2024 compared to the same period in 2023. Amongst the Group's revenue in 9M2024, the revenue from the logistics and transportation business was RMB218.70 million in 9M2024, representing a decrease of 12.33% from RMB249.46 million in 9M2023. The decline was primarily due to the decrease in transport business volume from January to September 2024 compared to the same period in 2023, caused by the aging of some of the Company's transport vehicles.

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Gross Profit

In 9M2024, the Group's gross profit was RMB300.81 million, representing a decrease of 3.6% from RMB312.2 million in 9M2023. Amongst the Group's gross profit in 9M2024, the gross profit from the gas segment was RMB266.25 million, representing a decrease of 5.57% from 281.94 million in 9M2023. This decline was primarily due to a reduction in the product gross profit margin compared to the same period in 2023, which was impacted by fluctuations in international crude oil prices and changes in market demand. Amongst the Group's gross profit in 9M2024, the gross profit from the logistics and transportation business was RMB34.56 million in 9M2024, representing an increase of 14.21% from RMB30.26 million in 9M2023.

Distribution costs

In 9M2024, the Group's distribution costs were RMB6.41 million, representing an increase of 308.5% from RMB1.57 million in 9M2023. This was due to the increased provision of door-to-door transportation services to meet certain customers' demands since the start of 9M2023, which led to higher transportation costs in the sales process.

Administrative expenses

In 9M2024, the Group's administrative expenses were RMB25.98 million, representing an increase of 39.5% from RMB18.62 million in 9M2023. This was due to the Company's strong focus on full-value chain optimisation management and new product developments, which resulted in an increase in research and development costs.

Other operating income

In 9M2024, the Group's other operating income was RMB8.29 million, representing a decrease of 91.98% from RMB101.65 million in 9M2023. This was due to the receipt of a RMB38.86 million dividend from Qianhai Reli and RMB54.78 million from the disposal of waste catalysts in 9M2023. However, there was no such non-operating income in 2024.

Other operating expenses

In 9M2024, the Group's other operating expenses were RMB572,000, representing a decrease of 88.7% from RMB5.05 million in 9M2023. This was due to Dongming Qianhai's production suspension overhaul in May 2023, during which the production plant and storage tanks were cleaned. This process resulted in the loss of some raw materials and products.

Finance costs

In 9M2024, the Group's finance costs were RMB17.18 million, representing a decrease of 36.4% from RMB27.04 million in 9M2023. This was due to a decrease in interest-bearing loans compared to the same period last year. As at September 2024, a total of RMB180 million in interest-bearing loans had been repaid during the year.

Income tax expense

In 9M2024, the Group's income tax expense was RMB57.03 million, representing a decrease of 27.4% from RMB78.58 million in 9M2023. This was due to the quarterly tax provision made by entities based on their profitability.

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FY2023 vs FY2022

Revenue

In FY2023, the Group's revenue was RMB5.33 billion, representing an increase of 10% from RMB4.85 billion in FY2022. Amongst the Group's revenue in FY2023, the revenue from the gas segment was RMB4.97 billion, representing an increase of 8.46% from RMB4.58 billion in FY2022, which was due to increased demand for the Company's key products as a result of the effective control of the pandemic in the PRC, resulting in a 7% increase in sales in FY2023 as compared to FY2022, and the revenue from the logistics and transportation business was RMB360.56 million in FY2023, representing a major increase of 36.62% from RMB263.91 million in FY2022, which was because of an increase in the quantity of logistic shipments, stemming from the effective control of the pandemic in the PRC.

Gross Profit

In FY2023, the Group's gross profit was RMB400.06 million, representing an increase of 103.1% from RMB196.98 million in FY2022. Amongst the Group's gross profit in FY2023, the gross profit from the gas segment was RMB359.07 million, representing an increase of 108.48% from 172.23 million in FY2022, which was caused by the increase in product sales and gross profit margin following the conclusion of the Covid-19 pandemic, and the gross profit from the logistics and transportation business was RMB40.99 million in FY2023, representing an increase of 65.62% from RMB24.75 million in FY2022.

Distribution costs

In FY2023, the Group's distribution costs were RMB6.23 million, representing an increase of 2363.24% from RMB253,000 in FY2022. This was due to the Company's provision of home delivery services to its customers since the third-quarter of FY2023 in order to better meet their needs, resulting in an increase in transport costs.

Administrative expenses

In FY2023, the Group's administrative expenses were RMB36.68 million, representing an increase of 8.10% from RMB33.93 million in FY2022. This was due to an increase in research and development expenses from the Company's efforts to optimise its value chain and develop new products.

Other operating income

In FY2023, the Group's other operating income was RMB102.3 million, representing an increase of 698.31% from RMB12.82 million in FY2022. This was due to Dongming Qianhai's renewal of catalyst during the overhaul in May 2023, resulting in RMB54.78 million in income from the disposal of the discarded catalyst. Further, the Group also received dividends of RMB38.86 million from its associate, Dongming Qianhai Reli in July 2023.

Other operating expenses

In FY2023, the Group's other operating expenses were RMB5.66 million, representing an increase of 1971.79% from RMB27,300 in FY2022. This was due to the inventory loss from Dongming Qianhai's overhaul, where the Company carried out large-scale cleaning and emptying operations on production units, raw materials and empty product tanks.

Finance costs

In FY2023, the Group's finance costs were RMB34.72 million, representing a decrease of 27.18% from RMB47.68 million in FY2022. This was due to a decrease in the amount of interest-bearing borrowings, and the cumulative return of bank borrowings of RMB60 million and non-controlling party borrowings of RMB200 million in 2023.

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Income tax expense

In FY2023, the Group's income tax expense was RMB105.9 million, representing an increase of 117.93% from RMB48.6 million in FY2022. This was due to adjustments in the Company's income tax in accordance with PRC tax law.

FY2022 vs FY2021

Revenue

In FY2022, the Group's revenue was RMB4.85 billion, representing an increase of 2.8% from RMB4.72 billion in FY2021. Amongst the Group's revenue in FY2022, the revenue from the gas segment was RMB4.58 billion, representing an increase of 2.73% from RMB4.46 billion in FY2021, which was due to a significant increase in the average selling price of processed liquefied petroleum gas of the Company's major products in 2022 and an increase in sales of high-end polypropylene, and the revenue from the logistics and transportation business was RMB263.91 million in FY2022, representing a major increase of 3.88% from RMB254.06 million in FY2021, which was because of increase logistics and transport operations.

Gross Profit

In FY2022, the Group's gross profit was RMB196.98 million, representing a decrease of 58.85% from RMB478.69 million in FY2021. Amongst the Group's gross profit in FY2022, the gross profit from the gas segment was RMB172.23 million, representing a decrease of 61.74% from 450.10 million FY2021, which was caused by the impact of significant fluctuations in international crude oil prices in 2022, which resulted in the increase in the selling price of the Company's major products being lower than the increase in production costs, and the gross profit from the logistics and transportation business was RMB24.75 million in FY2022, representing a decrease of 13.43% from RMB28.59 million in FY2021, which was caused by stricter regulatory control of the pandemic.

Distribution costs

In FY2022, the Group's distribution costs were RMB253,000, representing a decrease of 5.9% from RMB269,000 in FY2021. This was due to a decrease in commissioned sales.

Administrative expenses

In FY2022, the Group's administrative expenses were RMB33.93 million, representing an increase of 20.03% from RMB28.27 million in FY2021. This was due to the inclusion of fixed expenses incurred in the production workshop in the management expenses from the shutdown of Dongming Hengchang's equipment overhaul.

Other operating income

In FY2022, the Group's other operating income was RMB12.82 million, representing a decrease of 4.9% from RMB13.48 million in FY2021.

Other operating expenses

In FY2022, the Group's other operating expenses were RMB273,000, representing a decrease of 22.66% from RMB353,000 in FY2021.

Finance costs

In FY2022, the Group's finance costs were RMB47.68 million, representing a decrease of 2.95% from RMB49.13 million in FY2021. This was due to a decrease in the amount of interest-bearing borrowings, and the cumulative return of bank borrowings of RMB60 million and non-controlling party borrowings of RMB175 million in 2022.

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Income tax expense

In FY2022, the Group's income tax expense was RMB127.66 million, representing a decrease of 69.17% from RMB414.15 million in FY2021. This was due to the decrease in the operating profits realised by the Company in FY2022 as compared to that in FY2021. The Company provides for enterprise income tax in accordance with PRC tax laws.

Financial Position

5. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of —
- (a) the most recently completed financial year for which audited financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period.

The consolidated balance sheets of the Group as at 31 December 2023 and 30 September 2024 are set out below:

	Audited 31 December 2023 RMB'000	Unaudited 30 September 2024 RMB'000
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	1,459,008	1,330,967
Right of use assets	3,150	3,150
Land use rights	88,248	87,340
Goodwill on consolidation	10,345	10,345
Financial asset, at fair value through other comprehensive income	48,953	27,911
Total non-current assets	1,609,704	1,459,713
<u>Current assets</u>		
Land use rights	1,088	1,085
Inventories	334,916	285,066
Trade and other receivables	9,889	13,729
Amount owing by affiliated companies	5,464	26,399
Prepayments	1,360	11,037
Cash and bank balances	562,886	713,800
Total current assets	915,603	1,051,116
Total assets	2,525,307	2,510,829

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	Audited 31 December 2023 RMB'000	Unaudited 30 September 2024 RMB'000
EQUITIES AND LIABILITIES		
Equity		
Share capital	316,125	316,125
Retained profits	705,892	792,814
Fair value reserves	12,952	(1,778)
Capital reserves	250,000	250,000
Other reserves	180,622	220,899
Total equity attributable to equity holders of the Company	1,465,591	1,578,060
Non-controlling interests	234,875	286,122
Total equity	1,700,466	1,864,182
Non-current liabilities		
Loans from non-controlling interests	50,000	–
Bank borrowings	300,000	250,000
Lease liabilities	3,428	2,925
Total non-current liabilities	353,428	252,925
Current liabilities		
Loans from non-controlling interests	200,000	100,000
Bank borrowings	60,000	80,000
Lease Liabilities	179	682
Trade and other payables	98,448	134,308
Amount owing to affiliated companies	42,887	75,518
Current tax payable	69,899	3,214
Total current liabilities	471,413	393,722
Total liabilities	824,841	646,647
Total equity and liabilities	2,525,307	2,510,829

6. The data mentioned in paragraph 5 of this Part must include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and must in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities or securities-based derivatives contracts;
 - (b) net assets or liabilities per share;
 - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.

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For illustrative purposes only, the following is an analysis of the financial effects of the Rights Issue on the NAV per Share of the Group.

As at 31 December 2023	Before the Rights Issue	After the Rights Issue⁶
NAV (RMB'000)	1,700,466	1,941,165
Number of Shares	640,000,000	960,000,000
NAV per Share (RMB cents)	265.70	202.24

As at 30 September 2024	Before the Rights Issue	After the Rights Issue⁶
NAV (RMB'000)	1,864,182	2,104,881
Number of Shares	640,000,000	960,000,000
NAV per Share (RMB cents)	194.19	219.26

Liquidity and Capital Resources

7. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —
- (a) the most recently completed financial year for which financial statements have been published; and
- (b) if interim financial statements have been published for any subsequent period, that period.

The consolidated statements of cash flows of the Group for FY2023 and 9M2024 are set out below:

	Audited FY2023 RMB'000	Unaudited 9M2024 RMB'000
Operating activities		
Profit before income tax	419,072	258,960
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	173,844	128,509
Depreciation of right-of-use rights	425	—
Amortisation of intangible assets	1,240	911
Gain on disposal of property, plant and equipment	(100)	—
Property, plant and equipment written off	1,125	3,909
Interest expense	34,721	17,185
Interest income	(6,417)	(6,469)
Dividend income	(38,862)	—
Operating profit before working capital changes	585,048	403,005
Change in inventories	(92,581)	49,850

⁶ Calculated based on an exchange rate of S\$1 : RMB5.3908 on 7 February 2025, being the Latest Practicable Date. After deducting expenses relating to the Rights issue of S\$150,000, the increase in net assets amounted to S\$44,650,000, which is equivalent to RMB240,699,220.

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	Audited FY2023 RMB'000	Unaudited 9M2024 RMB'000
Change in amount owing by/(to) affiliated companies	34,983	11,697
Change in operating receivables	10,098	(13,518)
Change in prepayment	7,412	–
Change in operating payables	(36,416)	35,860
Cash (used in) / generated from operations	508544	486,894
Income tax paid	(44,998)	(123,719)
Net cash generated from operating activities	463,546	363,175
Investing activities		
Additions to property, plant and equipment	(13192)	(4,379)
Proceeds from disposal of property, plant and equipment	255	–
Additions to intangible assets	–	–
Interest paid	–	–
Interest received	6,417	6,469
Dividend income	38,862	–
Net cash generated from used in investing activities	32,342	2,090
Financing activities		
Dividends paid to equity holders of the company	–	(17,166)
Dividends paid to non-controlling interests	(158,935)	–
Repayment of loans to non-controlling interest	(200,000)	(150,000)
Payment of principal portion of lease liabilities	(410)	–
Repayment of bank borrowings	(60,000)	(30000)
Interest paid	(34,721)	(17,185)
Net cash generated used in financing activities	(454,066)	(214,351)
Net decrease in cash and cash equivalents	41,822	150,914
Cash and cash equivalents at beginning of period	521,064	562,886
Cash and cash equivalents at end of the period	562,886	713,800

A review of the cash flow position of the Group is set out below:

Review of cash flow for 9M2024

In 9M2024, the Group registered a net cash inflow of RMB150.91 million.

Net cash inflow from operating activities was RMB363.18 million, which was primarily due to the Group's stable production and operations, strong profitability, normal inventory turnover, and other reasonable uses of working capital such as receivables and payables, all of which contributed to the increase in net cash flow from operating activities from January to September 2024.

Net cash inflow from investing activities was RMB2.09 million, primarily due to the Group's deposit interest income of RMB6.47 million, offset by asset purchase expenditures of RMB4.38 million.

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Net cash outflow from financing activities was RMB214.35 million, primarily due to the Group's repayment of interest-bearing loans and interest expenses amounting to RMB197.19 million, as well as the payment of RMB17.17 million in dividends to the Group's shareholders from January to September 2024.

Review of cash flow for FY2023

In FY2023, the Group registered a net cash inflow of RMB41.82 million.

Net cash inflow from operating activities was RMB463.55 million due to the Company's earnings and other changes in working capital as a result of operating activities.

Net cash outflow from investing activity was RMB32.34 million due to dividends received from the Company's associate, Dongming Qianhai Reli and interest received on bank deposits, which offset the expenditure on the acquisition of assets.

Net cash outflow from financing activities was RMB454.07 million due to Dongming Qianhai's distribution of dividends to non-controlling parties and the repayment of non-controlling parties and bank borrowings.

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- 8. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for at least the next 12 months and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgment of the prospectus must not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an express condition of the offer that minimum net proceeds are to be raised and that the application moneys will be returned to investors if the minimum net proceeds are not raised.**
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The majority shareholder of the Company (namely, Intelligent People) has given the Undertaking to the Company to, *inter alia*, subscribe for, or procure the subscription of its respective own *pro rata* entitlement to the Rights Shares under the Rights Issue. It has also undertaken to subscribe for or procure the subscription of any unsubscribed Rights Shares remaining after the fulfilment of valid applications by other Shareholders for the same under the terms of the Rights Issue. Given the provision of the Undertaking, the Company has certainty that the Rights Issue will be fully subscribed for.

In the reasonable opinion of the Directors, as at the date of lodgement of this Offer Information Statement, taking into consideration the Group's present bank facilities and the Net Proceeds and barring any unforeseen circumstances, the working capital available to the Group is sufficient for at least the next 12 months.

Please refer to paragraph 1(f) of Part 10 of this Offer Information Statement for further details on the Undertaking.

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9. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the relevant entity, provide —
- (a) a statement of that fact;
 - (b) details of the credit arrangement or bank loan; and
 - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).
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As at the Latest Practicable Date, to the best of the Directors' knowledge, the Group is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Group's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the Company.

Trend Information and Profit Forecast or Profit Estimate

10. Discuss —
- (a) the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, for the next 12 months from the latest practicable date; and
 - (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that may cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.
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Save as disclosed below and in this Offer Information Statement, the Company's annual reports, circulars and SGXNET announcements, and barring any unforeseen circumstances, the Directors are not aware of any known trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Group's revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

The following discussions about the Group's business trends contain forward-looking statements that involve risk and uncertainty. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Information Statement.

Business and Financial Prospects of the Group for the next 12 months

In 2025, the Company expects the polyolefin market to continue experiencing an expansion phase, with domestic supply primarily increasing. This rise in supply is expected to exert significant pressure on market prices. However, as domestic demand gradually recovers, driven by upgrades in consumer spending and the strengthening of various consumption-promoting policies, consumer willingness to spend is likely to improve.

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In particular, the expansion of industries such as automotive, home appliances, logistics, electronics and telecommunications are expected to gradually boost demand for high-end polyolefin products. Among the high-end polypropylene products produced by the Group, some have already obtained food-grade and medical-grade certifications in the PRC, demonstrating strong market competitiveness.

The Board is optimistic in the Group's business outlook for 2025.

RISK FACTORS

To the best of the Directors' knowledge and belief as at the Latest Practicable Date, the risk factors that are material to Shareholders and prospective investors in making an informed decision on the Rights Issue (save for those which have already been disclosed to the general public) are set out below. Shareholders and prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Rights Shares. The Group could be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein.

The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of the Group could be materially and adversely affected. In such event, the trading price of the Shares and/or Rights Shares could decline due to any of these considerations and uncertainties, and Shareholders and investors may lose all or part of their investment in the Shares and/or Rights Shares.

RISKS RELATING TO THE GROUP'S INDUSTRY AND BUSINESS

We are dependent on our Strategic Suppliers for our major raw material, raw LPG, as they currently supply more than 50% of our raw LPG

The Group is dependent on its major suppliers, in particular, its Strategic Suppliers, namely Dongming Hengli, Dongming Hengrun, Dongming Hengtai, Dongming Petrochem and Dongming Zhongyou, for their supply of our major raw material, raw LPG. The Group's Strategic Suppliers accounted for 91.67%, 92.53% and 91.18% of our Group's purchases in FY2020, FY2021 and FY2022 respectively.

Approximately 600,000 tonnes of raw LPG could be provided to us by our Strategic Suppliers every year. In the event that any of our Strategic Suppliers are unable to supply sufficient raw materials in order to meet our demand, and we are unable to secure alternative sources of raw LPG in a timely manner or we are required to source alternative sources of raw LPG from more distant suppliers and incur higher transportation costs, the growth of our business, our costs of purchase and profitability may be adversely affected. Further, if any of our Strategic Suppliers experience operational disruptions and/or are unable to supply raw materials to us in a timely manner, our production output will also be affected, thereby causing a decrease in our revenue and an adverse effect on our financial performance.

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We are exposed to fluctuations in the price of our major raw material, raw LPG, which are exposed to fluctuations in the price of crude oil

Raw LPG is our major raw material and contributes to a major portion of our cost of sales, representing approximately 58.32%, 62.44% and 57.40% of our Group's cost of sales in FY2021, FY2022 and FY2023 respectively. The market price of raw LPG is subject to fluctuations in the regional and global supply and demand conditions, which are in turn affected by a number of factors including cyclical changes in regional and global economic conditions, price and availability of substitute products and changes in consumer responsiveness and consumer demand. To a large extent, raw LPG prices are also vulnerable to fluctuations in the price of crude oil as raw LPG is derived from refining of crude oil. Generally, when the price of crude oil increases, the price of raw LPG also increases. Therefore, if substantial price increases occur and if we are unable to pass on such price increases to our customers, whether partially or entirely, our business, profitability and financial performance will be adversely affected.

We are obliged to purchase all the raw LPG produced by our Strategic Suppliers as we have entered into long-term written contracts with them but not with any of our customers

Our Subsidiary, Dongming Hengchang, had entered into long-term written exclusive supply agreements with each of our Strategic Suppliers, pursuant to which we are required to purchase all the raw LPG supplied by them to us, exclusively. On the contrary, we generally do not enter into long-term written contracts with any of our customers. We may enter into short-term written agreements of up to six months with our LPG customers situated beyond the 400km radius of our production facilities and such customers could enjoy discounts upon purchasing more than a stipulated amount of LPG in the contract. The written contracts entered into between our Group and such customers do not stipulate a minimum amount to be purchased. Hence, while there is a ready market for our commodity products, there is no guarantee that all of our products would be purchased by our customers. In the event that there is a decline in the demand for our products by our customers or the actual demand for our products in the future fails to meet our expectations, we are not allowed to reduce our purchases from our Strategic Suppliers accordingly and must continue to purchase all the raw LPG processed by them. Hence, if we maintain our purchases of raw LPG despite a decline in the demand for our products by our customers, our inventory costs would increase significantly, and our financial performance may be adversely affected.

We may be exposed to accidents from our production process as our major raw material, raw LPG, and our products, propylene and LPG, are hazardous products which are explosive, flammable and toxic

Our major raw material, raw LPG, and our products, propylene and LPG, are hazardous products which are explosive, flammable and may be toxic or harmful to human health and the environment. Hence, any leakage of raw LPG, propylene and LPG during the production process may result in pollution to the environment and/or industrial accidents.

In the event of the occurrence of environmental pollution, we may be in breach of PRC regulations and be penalised by the PRC authorities for non-compliance with the relevant environmental protection laws and regulations. Such penalty may be in the form of fines and/or suspensions or revocation of licences, permits or approvals, or in the event of a serious non-compliance, a shutdown of our production facilities. We may also incur costs arising from our obligation to remedy any damage caused by such accidents and to restore the environment to its original state. We may also have to compensate our employees or third parties for any personal injury, human deaths or any losses or damages to property suffered by them as a result of such accidents.

There is no assurance that accidents will not occur or that our safety precautions and maintenance procedures will provide adequate protection. Any significant accident, even though we may not be responsible or found to be at fault, may expose us to claims and liability which may result in significant legal costs and damages. As we do not maintain third party liability insurance, the occurrence of any liability claims, regardless of validity, could adversely affect our corporate image as well as financial condition.

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We are dependent on the price of our products, namely, propylene, polypropylene and LPG

The prices of our principal products, namely propylene, polypropylene and LPG are subject to the prevailing demand and supply conditions, which are in turn affected by various factors including the price and availability of the raw materials required, price and availability of substitute products and changes in consumer responsiveness and consumer demand. As such, we are exposed to the risks arising from such price fluctuations and significant adverse movements in the prices of our products would adversely affect our revenue and profits.

We are dependent on our trademark and brand name

We rely on our PRC-registered trademark and brand name “Hengchang” in the marketing and sale of our polypropylene. Please refer to the “Intellectual Property” section of this Prospectus for more details on our registered trademark. We believe that we have built significant brand recognition in our trademark and brand in terms of the quality of our products and services and they are widely recognised by the petrochemical industry in the PRC. We consider our trademark and brand name “Hengchang” to be vital in promoting product recognition and customer loyalty. Hence, if there are any major defects in our products or adverse publicity on our trademark and brand name due to circumstances beyond our control, the brand recognition in our trademark and brand name will be adversely affected and our customers may lose confidence in our products. This will adversely affect the sales of our products, hence affecting our business and financial performance.

Though our trademark is registered in the PRC, there is no assurance that the means of protecting our trademark adopted by us will be effective or that our competitors will not adopt product names or trademarks that are similar to ours. We are also vulnerable to attempts by third parties to pass off their products as ours by using our trademark or brand name. Adequate protection of our intellectual property is vital to our business. Although we may take legal action against those who infringe our intellectual property rights, we may need to incur substantial time and resources and there is no assurance that we will be able to stop or prevent such infringement completely. Hence, our business and financial performance will be adversely affected if we are unable to protect our intellectual property rights effectively.

In addition, we may unknowingly infringe the intellectual property rights of third parties, in which case, we may have to incur substantial costs and resources in defending suits that may be brought against us for alleged infringement of intellectual property owned by third parties. Such claims made against us will have a negative impact on our operation and reputation causing an adverse effect on our business and profitability.

We are exposed to disruptions to our production facilities during shut-downs or accidents

Our revenues are dependent on the continued operations of our production facilities which is subject to risks of disruptions including, *inter alia*, routine maintenance and/or over-haul of equipment, breakdown and repair of equipment, machine reconfiguration, stoppage in the supply of utilities, power failures, industrial accidents, fire or other calamities which may result in significant damage to our machinery and production lines and/or major disruptions to our production processes. As a result of such disruptions, our production may be interrupted, thereby causing a decline in our production output, revenue and profitability. If the frequency and duration of such disruptions increase, our revenue and financial performance will be adversely affected. In addition, disruptions to our production facilities will have a material adverse impact on our corporate image and business operations. Although we have taken general insurance coverage in respect of damage to our assets and production equipment, our existing general insurance may not fully compensate us for actual losses, damages and liabilities, thus adversely affecting our profitability.

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We may be affected by the availability of alternative or new products and development of production technologies

Our products comprise propylene, polypropylene and LPG. Alternative or new products that are superior to our products in terms of functionality, costs and quality may be discovered, and new technologies may be developed. There is no assurance that our customers will not convert to using these alternative products. If we are unable to diversify, produce and sell the alternative or new products or adopt the new technologies on a timely basis, or if alternative or new products are discovered and new technologies are developed which may render our products obsolete or uncompetitive, our revenue and future prospects may be adversely affected.

Our business may be affected by global political and economic uncertainties

Terrorist attacks and other acts of violence may result in global economic and political uncertainties. With the uncertainty of regional conflicts and the possible occurrence of major terrorist attacks or other acts of violence, our industry and business are susceptible to unfavourable outcomes resulting from such events. In the event of terrorist attacks or other forms of violence, it may have a negative impact on the PRC or global economy, or directly on our physical facilities or those of our suppliers or customers, causing disruptions to the production and delivery process, resulting in disruptions and delays to our supply chain and execution capability. This may have an adverse impact on our financial performance.

We are exposed to the risk of non-renewal of our licences, permits or approvals and changes in the laws and regulations relating to our business operations

Our business is subject to certain PRC laws and regulations, in particular, those relating to safety and environmental protection. We are granted various licences, permits and approvals by regulatory authorities in the PRC, namely, Safe Production Permit (安全生产许可证), Gas Fuel Business Licence (燃气经营许可证) and Fire Safety Permit (消防安全许可证). The duration of these permits and licences are generally for fixed periods and are renewable upon expiry but renewability is subject to our fulfilment of the standards and requirements set out by the regulatory authorities. Our operations at our production facilities are subject to periodic checks by the relevant authorities in the PRC and they have the power to take action against us, impose fines, withdraw or suspend our relevant licences or activities, or impose other penalties if we fail to comply with the relevant regulations. Therefore, any non-renewal or revocation of the permits and licences for whatever reason by the relevant authorities may affect our business operations. Further, there is no assurance that more stringent requirements relating to business operations, environmental protection and safety will not be imposed by the relevant PRC government authorities in the future. These additional regulations may restrict our ability to operate our business or require us to incur unanticipated liabilities or additional costs in order to comply with such requirements. If we fail to comply with any such requirements and face action for non-compliance, our operations and financial position will be adversely affected. Therefore, changes in the relevant laws and regulations affecting our industry may adversely affect our operations and financial performance.

Failure to compete effectively in our industry will adversely affect our business performance

We operate in a competitive environment and we are subject to competition from existing competitors and new market entrants. Our products are produced by various other petrochemical companies in the PRC and the differentiation between our products and those of our competitors is low. We compete with our competitors based mainly on competitive factors such as, amongst others, quantity, quality, price, availability and stable supply of raw materials, as well as proximity to suppliers and customers. Our Directors believe that we are one of the major suppliers of quality and competitively priced propylene, polypropylene and LPG within the 400km radius of our production facilities and are in close proximity to most of our customers. Hence, if there is any increased competition within the 400km radius of our production facilities, our financial performance may be affected. In addition, our competitors and potential new entrants to our industry may have better access to financial, technological and/or other resources than us.

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For example, our competitors may have greater financial capabilities and are able to acquire production facilities that are more advanced within the 400km radius of our production facilities, or if we fail to maintain our competitive edge, there is no assurance that we can continue to compete successfully. If we are unable to compete effectively, our profitability and prospects will be adversely affected.

We may not have adequate insurance coverage

Although we have taken general insurance in respect of damage to existing properties, inventories and equipment for the production of our products, we do not have other insurance coverage such as third-party liability insurance. In the event of third-party claims being made against us and if there are circumstances in which we cannot be covered or fully compensated by insurance in respect of losses, damages, claims and liabilities arising from or in connection with product liability or third-party liability, or the compensation from our existing general insurance cannot fully compensate us for actual losses, damages, claims and liabilities, the profitability of our Group may be adversely affected.

RISKS RELATING TO THE PRC

We are dependent on the PRC market

All of our business and operations are located in the PRC and in the last three financial years, all of our revenue had been derived from sales to customers in the PRC. Accordingly, any significant decline in demand for our products from our customers in the PRC will have an adverse effect on our business, financial conditions and results of our operations. In addition, our business and future growth are dependent on the political, economic, regulatory and social conditions of the PRC. Unfavourable changes in the social, economic and political conditions of the PRC or in the PRC government policies in the future may have a negative impact on the operations and business in the PRC which will in turn adversely affect our overall financial performance.

Since 1978, the PRC government has been reforming and is expected to continue to reform the rules and regulations governing its economic and political systems. Any change in the political and economic policy of the PRC government may lead to a change in the laws and regulations or the interpretation of the same, as well as changes in the foreign exchange regulations, taxation and import and export restrictions, which may in turn adversely affect our relationships and dealings with our business associates. While the current policy of the PRC government seems to be one of pursuing economic reform policies to encourage investments and greater economic de-centralisation, there is no assurance that such a policy will continue to prevail in the future.

Our business and operations in the PRC are governed by the legal system of the PRC and introduction of new laws and regulations or changes to the existing laws and regulations may have a negative effect on our business

Our business and operations in the PRC are subject to the general laws and regulations promulgated by the PRC government. The PRC legal system is based on the PRC constitution and is made up of written laws, regulations, circulars and directives.

Due to the lack of certainty in the PRC laws and regulations, new laws and regulations or changes to the existing laws and regulations might be introduced and affect the special laws and regulations that we are currently adhering to. If we do not adhere to and comply with such changes in laws and regulations, the relevant authorities may terminate, withdraw or suspend our licences or activities, or impose penalties on us. In addition, as we may be required to make the necessary changes to our operations to comply with such new laws and regulations, additional costs may be incurred. As a result, this may affect our operations and financial performance.

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PRC foreign exchange control may limit our ability to utilise our cash effectively and affect our ability to receive dividends and other payments from our PRC Subsidiary

Our PRC Subsidiary, Dongming Hengchang, is a foreign investment enterprise (“FIE”) and is subject to the PRC rules and regulations on currency conversion. In the PRC, the State Administration for Foreign Exchange (“SAFE”) regulates the conversion of the RMB to foreign currencies. Currently, an FIE is required to apply to SAFE for “Foreign Exchange Registration Certificates for FIEs”. With such registration certifications (which need to be renewed annually), an FIE is allowed to open foreign currency accounts including the “basic account” and “capital account”. Currently, conversion within the scope of “basic account” (for example, remittance of foreign currencies for payment of dividends) can be effected without the approval of SAFE. However, conversion of currency in the “capital account” (for example, for capital items such as direct investments, loans and securities) still requires the approval of SAFE. The ability of our PRC Subsidiary to pay dividends or make other distributions to us may be restricted by PRC foreign exchange control restrictions. We cannot assure you that the relevant regulations will not be amended to the disadvantage of our Group or Shareholders and that the ability of our PRC Subsidiary to distribute dividends to us will not be adversely affected as a result.

RISKS RELATING TO INVESTMENT IN OUR SHARES

Our Share price may be volatile, which could result in substantial losses for investors subscribing for Shares

The market price of our Shares may be highly volatile and could be subject to wide fluctuations in response to the variations in our operating results. These fluctuations may be exaggerated if the trading volume of our Shares is low. In addition, the market price of our Shares may also rise and fall as a result of, amongst others, the following factors, some of which are beyond our control:-

- negative or positive publicity relating to any of our Substantial Shareholders or Directors;
- the success or failure of our management team in implementing business and growth strategies;
- gain or loss of an important business relationship or contract;
- technological innovations and/or new products and/or services offered by us or our competitors;
- strategic alliances and/or acquisitions;
- changes in analysts’ recommendations or perceptions;
- changes in general economic conditions or stock market sentiments or other events or factors;
- changes in share prices or prospects of companies with similar businesses as our Group that are listed in Singapore or elsewhere; and
- broad stock market fluctuations.

Accordingly, any of the above factors could lead to fluctuations in our Share price that may result in loss to investors in our Shares.

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RISKS RELATING TO COVID-19 AND OTHER INFECTIOUS DISEASES

The outbreak of COVID-19 or any other infectious disease or any other serious public health concerns in Asia, the Middle East, Europe and/or elsewhere could adversely impact the business, financial condition, results of operations and prospects of the Group

We face risks from epidemics, pandemics and natural disasters. During the last 20 years, there have been outbreaks of various infectious diseases, such as SARS, Avian influenza, MERS, and most recently the COVID-19. In particular, the global economy is projected to be impacted by the containment measures implemented by various countries to slowdown the spread of any infectious disease, such as travel restrictions, the shutdown of non-essential services and forced business closures. If the impact of the outbreak of such communicable disease continues for an extended period, it could materially and adversely impact our Group's business, results of operations, financial condition and prospects.

The economic downturn from the outbreak of infectious diseases could result in a decrease in demand for the Group's products and services, and may affect the ability of the Group's counterparties to perform their obligations in a timely manner or at all which may adversely affect the Group's cash flows. Government measures to alleviate the economic impact of infectious diseases such as the imposition of restrictions on the termination of agreements and/or the application of enforcement measures and on taking steps with a view to initiating insolvency and/or enforcement proceedings could adversely affect the Group's ability to enforce and require the Group's counterparties to perform their contractual obligations.

An infectious disease outbreak creates the risk of volatility in financial markets (including interest rate and foreign exchange rate risk) and may adversely impact the cost, availability, duration or terms of financing and credit available to the group. For example, in 2020, the COVID-19 outbreak has caused stock markets worldwide to lose significant value and impacted economic activities in Asia and worldwide. Uncertainty about the effects of the COVID-19 pandemic has resulted in significant disruption to capital and securities markets. An outbreak similar to that of COVID-19 may adversely affect the Group's ability to raise new capital and refinance its existing debt. The potential exists for recession within individual countries, the failure of businesses and austerity measures, all of which might impact the confidence of, and in, the economies and markets in which the Group does business. Infectious disease outbreaks may also significantly increase the risk of cyber-attacks as some of the Group's employees may have to work from home in line with government policies and recommendations. There can be no assurance that the risks from an infectious disease outbreak including those described above will not have a material adverse effect on the Group in the future and the Group's business, financial condition, results of operations and prospects may be adversely affected.

There can be no assurance that any precautionary measures taken against the infectious diseases would be effective. A future outbreak of any other infectious disease or any other serious public health concerns in Asia, the Middle East, Europe and/or elsewhere could adversely affect the business, financial condition, results of operations and prospects of the Group.

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- 11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**
-

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

Not applicable. No profit forecast or profit estimate is disclosed in this Offer Information Statement.

13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions mentioned in paragraph 12 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part —

- (a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part —

- (a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, prepared on the basis of an examination by that issue manager or person of the evidence supporting the assumptions mentioned in paragraph 12 of this Part, to the effect that no matter has come to the attention of that issue manager or person which gives that issue manager or person reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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Significant Changes

16. **Disclose any event that has occurred from the end of —**
- (a) **the most recently completed financial year for which financial statements have been published; or**
 - (b) **if interim financial statements have been published for any subsequent period, that period,**

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate statement to that effect.

Save as disclosed in this Offer Information Statement and in the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any event which has occurred from 31 December 2024 and up to the Latest Practicable Date which has not been publicly announced which may have a material effect on the financial position and results of the Group.

Meaning of “published”

17. **In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.**
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Noted.

PART 6: THE OFFER AND LISTING

Offer and Listing Details

1. **Indicate the price at which the securities or securities-based derivatives contracts are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, state the method by which the offer price is to be determined and explain how the relevant entity will inform investors of the final offer price.**
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The Issue Price for each Rights Share is S\$0.14, payable in full on acceptance of all or part of a provisional allotment of Right Shares and, if applicable, on the application for Excess Rights Shares.

The expenses incurred in respect of the Rights Issue will not be specifically charged to subscribers or Purchasers of the Rights Shares. The expenses associated with the Rights Issue will be deducted from the gross proceeds received by the Company from the Rights Issue.

However, an administrative fee will be charged by the Participating Bank for each Electronic Application made through any ATM of the Participating Bank, and such administrative fee will be borne by the subscribers of the Rights Shares. No administrative fee will be borne by the subscribers of the Rights Shares for each successful Electronic Application made through an Accepted Electronic Service.

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2. **If there is no established market for the securities or securities-based derivatives contracts being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
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Not applicable. The Shares are, and the Rights Shares will be, listed, quoted and traded on the SGX-ST.

3. **If —**
- (a) **any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered; and**
 - (b) **the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

Not applicable. None of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

As there may be prohibitions or restrictions against the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the section titled "Eligibility of Shareholders to Participate in the Rights Issue" of this Offer Information Statement for further details.

4. **If securities or securities-based derivatives contracts of the same class as those securities or securities-based derivatives contracts being offered are listed for quotation on any approved exchange —**
- (a) **in a case where the firstmentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the firstmentioned securities or securities-based derivatives contracts —**
 - (i) **for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
 - (ii) **for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**
 - (b) **in a case where the firstmentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the firstmentioned securities or securities-based derivatives contracts —**
 - (i) **for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**
 - (ii) **for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;**
-

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- (c) disclose any significant trading suspension that has occurred on the approved exchange during the 3 years immediately preceding the latest practicable date or, if the securities or securities-based derivatives contracts have been listed for quotation for less than 3 years, during the period from the date on which the securities or securities-based derivatives contracts were first listed to the latest practicable date; and
- (d) disclose information on any lack of liquidity, if the securities or securities-based derivatives contracts are not regularly traded on the approved exchange.

- (a) The following table sets forth the highest and lowest closing prices for the Shares and the volume of the Shares traded on the SGX-ST for each of the last 12 months immediately preceding the Latest Practicable Date and for the period from February 2024 to the Latest Practicable Date:

Period	Share price (S\$)		
	Highest closing price	Lowest closing price	Volume of shares traded
February 2024	0.145	0.121	496,300
March 2024	0.144	0.105	1,331,600
April 2024	0.145	0.134	1,328,600
May 2024	0.165	0.129	3,631,500
June 2024	0.131	0.122	409,200
July 2024	0.135	0.114	1,310,100
August 2024	0.130	0.114	408,500
September 2024	0.139	0.120	1,289,500
October 2024	0.174	0.137	7,973,000
November 2024	0.147	0.125	1,440,900
December 2024	0.134	0.120	2,602,600
January 2025	0.139	0.114	1,088,000
From 1 February 2025 to 7 February 2025 (being the Latest Practicable Date)	0.138	0.121	2,046,800

(Source: Yahoo Finance (<https://sg.finance.yahoo.com>). Yahoo Finance has not consented to the inclusion of the information above which is publicly available, and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. The Company has included the above information in its proper form and context and has not verified the accuracy of the content of such information. The Company is not aware of any disclaimers made by Yahoo Finance in relation to the above information.)

- (b) Not applicable. The Shares have been listed and quoted on the SGX-ST for more than twelve (12) months preceding the Latest Practicable Date.
- (c) There has not been any significant trading suspension of the Shares during the three (3) years immediately preceding the Latest Practicable Date.
- (d) Please refer to the table above for the volume of Shares traded during each of the last twelve (12) calendar months immediately preceding the Latest Practicable Date and for the period from 1 February 2025 to the Latest Practicable Date. Based on the information set out therein, the Shares are regularly traded on the SGX-ST.

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5. Where the securities or securities-based derivatives contracts being offered are not identical to the securities or securities-based derivatives contracts already issued by the relevant entity, provide —
- (a) a statement of the rights, preferences and restrictions attached to the securities or securities-based derivatives contracts being offered; and
 - (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities or securities-based derivatives contracts, to rank in priority to or equally with the securities or securities-based derivatives contracts being offered.

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- (a) Not applicable as the Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of allotment and issue of the Rights Shares.
 - (b) The Rights Shares will be issued pursuant to Shareholders' approval obtained at the EGM of the Company held on 24 December 2024.

Plan of Distribution

6. Indicate the amount, and outline briefly the plan of distribution, of the securities or securities-based derivatives contracts that are to be offered otherwise than through underwriters. If the securities or securities-based derivatives contracts are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

The Rights Issue will be offered on a renounceable non-underwritten basis of up to 320,000,000 Rights Shares to Entitled Shareholders at the Issue Price of S\$0.14 for each Rights Share, on the basis of one (1) Rights Share for every two (2) existing issued Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

The Rights Issue is not underwritten by any financial institution. However, the Company has obtained the Undertaking from the Undertaking Shareholder in respect of its entitlement of Rights Shares.

The Rights Shares will not be offered through any broker or dealer.

Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or in the case of Entitled Depositors only, trade (during the provisional allotment trading period prescribed by SGX-ST) their provisional allotments of Rights Shares on the SGX-ST and are eligible to apply for Excess Rights Shares in excess of their provisional allotments under the Rights Issue.

The basis of allotting any Excess Rights Shares will be determined at the absolute discretion of the Directors. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and the Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will also not make any allotment and issuance of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting. For the avoidance of doubt, only Entitled Shareholders (and not Purchasers or renounees) shall be entitled to apply for Excess Rights Shares.

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The distribution of the Notification, this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than in Singapore, the Rights Issue is only offered to Entitled Shareholders and the Rights Shares will not be offered to Foreign Shareholders. This Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders or into any jurisdiction outside Singapore. Please refer to the section entitled "Eligibility of Shareholders to Participate in the Rights Issue" of this Offer Information Statement for further details.

The allotment and issuance of the Rights Shares pursuant to the Rights Issue are governed by the terms and conditions as set out in this Offer Information Statement, including Appendices II, III and IV to this Offer Information Statement, the PAL, the ARE and the ARS and (if applicable) the Constitution of the Company.

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- 7. Provide a summary of the features of the underwriting relationship together with the amount of securities or securities-based derivatives contracts being underwritten by each underwriter.**
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Not applicable. The Rights Issue is not underwritten by any financial institution.

PART 7: ADDITIONAL INFORMATION

Statements by Experts

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert —**

- (a) state the date on which the statement was made;**
 - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) include a statement that the expert has given, and has not withdrawn, his or her written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

- 3. The information mentioned in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 33(2) applies.**
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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

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Consents from Issue Managers and Underwriters

4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his or her written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.

Not applicable. No manager or underwriter has been appointed to relation to the Rights Issue.

Other Matters

5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly —
- (a) the relevant entity's business operations or financial position or results; or
 - (b) investments by holders of securities or securities-based derivatives contracts in the relevant entity.

Save as disclosed in this Offer Information Statement and the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any other matters which could materially affect, directly, or indirectly the Group's business operations or financial position or results or investments by holders of securities in the Company.

**PART 8: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR
UNITS OF DEBENTURES**

Not applicable.

PART 9: ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Not applicable.

**PART 10: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES OR
SECURITIES-BASED DERIVATIVES CONTRACTS BY WAY OF RIGHTS ISSUE**

1. Provide —

- (a) the particulars of the rights issue;

Please refer to section entitled "Principal Terms of the Rights Issue" of this Offer Information Statement for the particulars of the Rights Issue.

- (b) the last day and time for splitting of the provisional allotment of the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;

The last date and time for splitting of the provisional allotment of Rights Shares is on 24 February 2025 at 5 p.m. (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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(c) the last day and time for acceptance of and payment for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;

The last date and time for acceptance of and payment for the Rights Shares is on 28 February 2025 at 5.30 p.m. (and 9.30 p.m. for Electronic Applications) (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

(d) the last day and time for renunciation of and payment by the renounee for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;

The last date and time for acceptance of payment by the renounee for the Rights Shares is on 28 February 2025 at 5.30 p.m. (and 9.30 p.m. for Electronic Applications) (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Depositors who wish to renounce their provisional allotments of Rights Shares in favour of a third party should note that CDP requires three (3) Market Days to effect such renunciation. As such, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for the renounee to accept his provisional allotment of Rights Shares.

Please refer to the section entitled “Indicative Timetable of Key Events” of this Offer Information Statement for more details.

(e) the terms and conditions of the offer of securities or securities-based derivatives contracts to be issued pursuant to the rights issue;

The terms and conditions of the Rights Issue are as set out in this Offer Information Statement, including Appendices II, III and IV to this Offer Information Statement, and in the PAL, the ARE and the ARS.

(f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and

As at the Latest Practicable Date, Intelligent People, the majority shareholder of the Company, has a deemed and direct interest in 372,048,500 Shares, representing approximately 58.13% of the Existing Share Capital of the Company (excluding treasury Shares held by the Company).

The majority shareholder of the Company (namely, Intelligent People) has given the Undertaking to the Company to, *inter alia*, subscribe for, or procure the subscription of its respective own *pro rata* entitlement to the Rights Shares under the Rights Issue. It has also undertaken to subscribe for or procure the subscription of any unsubscribed Rights Shares remaining after the fulfilment of valid applications by other Shareholders for the same under the terms of the Rights Issue (“**Intelligent People Balance Applications**”). Such Intelligent People Balance Applications shall rank in priority after allocations of Excess Rights Shares to other Shareholders. No fees will be paid to Intelligent People in connection with the Undertaking. The Undertaking will expire upon the earlier of the following: (i) the day after the Closing Date; or (ii) on 24 April 2025⁷.

⁷ The original undertaking executed by Intelligent People on 25 April 2024 stipulated that its obligations thereunder would terminate upon the earlier of: (i) the day following the Closing Date; or (ii) six (6) months from the date of the original undertaking. However, on 24 October 2024, Intelligent People executed a supplemental undertaking to extend its obligations under the original undertaking by an additional six (6) months. Consequently, Intelligent People’s obligations under the Undertaking will expire on 24 October 2025.

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(g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.

The majority shareholder of the Company (namely, Intelligent People) has given the Undertaking to the Company to, *inter alia*, subscribe for, or procure the subscription of its respective own *pro rata* entitlement to the Rights Shares under the Rights Issue. It has also undertaken to subscribe for or procure the subscription of any unsubscribed Rights Shares remaining after the fulfilment of valid applications by other Shareholders for the same under the terms of the Rights Issue. Given the provision of the Undertaking, the Company has certainty that the Rights Issue will be fully subscribed for.

In view of the Undertaking and the savings enjoyed for not having to bear underwriting fees, the Company has decided to proceed with the Rights Issue without arranging for any underwriting commitment with any financial institution.

Please refer to paragraph 1(f) of Part 10 of this offer information statement for further details on the Undertaking.

APPENDIX I – ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

1. Provide a review of the working capital for the last three financial years and the latest half year, if applicable.

The working capital of the Group as at 31 December 2021, 31 December 2022 and 31 December 2023 and 30 June 2024 are set out below:

	Audited 31 December 2021 RMB'000	Audited 31 December 2022 RMB'000	Audited 31 December 2023 RMB'000	Unaudited 30 June 2024 RMB'000
Total current Assets	1,032,236	804,344	915,603	1,024,699
Total current Liabilities	570,667	421,080	471,413	436,994
Working Capital	461,569	383,264	444,190	587,705

A review of the working capital of the Group is set out below:

As at 30 June 2024 compared to 31 December 2023

The Group was in a positive working capital position of approximately RMB587.71 million as at 30 June 2024, compared to the working capital position of RMB444.19 million as at 31 December 2023. The increase was mainly due to the stability maintained in production and operations, efficient inventory turnover and effective management of accounts receivable and payable. Operating activities generated substantial net cash flow, enabling the Company to meet bank and non-controlling party loan repayments in a timely fashion. Further, as no significant capital investments were made during the period, it resulted in an increase in working capital.

As at 31 December 2023 compared to 31 December 2022

Current assets increased by 13.83% from RMB804,344,000 as at 31 December 2022 to RMB915,603,000 as at 31 December 2023. The increase was mainly due to: (i) an increase in consumer demand for end-products, resulting in an improvement in the Company's profits following the end of the COVID-19 pandemic; (ii) the value of the Company's inventory of raw materials and finished products increased by RMB92,581,000 because of the Company's production being at maximum capacity; and (iii) an increase in the Company's operating cash flow and bank deposits.

Current liabilities increased by 11.95% from RMB421,080,000 as at 31 December 2022 to RMB471,413,000 as at 31 December 2023. The increase was mainly due to an increase in sums owed to other parties in relation to the purchase of raw materials.

As at 31 December 2022 compared to 31 December 2021

Current assets decreased by 22.1% or by RMB227,892 from RMB1,032,236 as at 31 December 2021 to RMB804,344 as at 31 December 2022. The decrease was mainly due to: (i) a decrease in inventories of RMB16,476, (ii) a decrease in trade and other receivables of RMB34,348, (iii) a decrease in amount owing by affiliated companies of RMB1,306 and (iv) a decrease in cash and cash equivalents of RMB181,551, offset by an increase in prepayment by RMB5,789.

Current liabilities decreased by 26.2% or by RMB149,587 from RMB570,667 as at 31 December 2021 to RMB421,080 as at 31 December 2022. The decrease was mainly due to: (i) a decrease in lease liabilities by RMB87, (ii) a decrease in trade and other payables by RMB31,696, (iii) a decrease in amount owing to affiliated companies by RMB138,281 and (iv) a decrease in current tax payable by RMB4,523, offset by an increase of RMB25,000 in loans from non-controlling interest.

APPENDIX I – ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

2. Convertible Securities

- (a) Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832 of the Listing Manual.
- (b) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on price fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences.

Not applicable as the Rights Issue does not involve an issue of convertible securities.

3. Responsibility Statement by the Financial Adviser

No financial adviser has been appointed for the Rights Issue.

APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX Investor Portal or SGX-SFG Service or through other electronic methods designated by CDP from time to time.
- 1.2 The provisional allotments of Rights Securities are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions in the ARE.

The number of Rights Securities provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded).

The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Securities as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Securities in full or in part and are eligible to apply for Rights Securities in excess of their provisional allotments under the Rights Issue, save as provided in paragraph 5.7 of this Appendix II. Full instructions for the acceptance of and payment for the provisional allotments of Rights Securities and payment for excess Rights Securities are set out in the Offer Information Statement as well as the ARE.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Securities specified in the ARE, in full or in part, and (if applicable) apply for excess Rights Securities, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Securities and (if applicable) application for excess Rights Securities may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the “Free Balance” of your Securities Account is not credited with, or is credited with less than the relevant number of Rights Securities accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or the Offer Information Statement, at CDP’s absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank or) or electronic service delivery networks (such as SGX Investor Portal) (“**Accepted Electronic Service**”) and the submission is unsuccessful) or **BY CREDITING DIRECTLY INTO HIS/THEIR DESIGNATED BANK ACCOUNT FOR SINGAPORE DOLLARS VIA CDP’S DIRECT CREDITING SERVICE**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK**; in the event he/they are not subscribed to CDP’s Direct Crediting Service, any monies to be paid shall be credited to his/their Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein), as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP). CDP will process such refunds within such timeline as shall be indicated by CDP from time to time, taking into account the processing time required by the relevant bank or service delivery network for the relevant payment method.

APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SECURITIES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SECURITIES EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR ACCEPTED ELECTRONIC SERVICE. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SFG SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Securities and/or excess Rights Securities in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Securities and/or excess Rights Securities in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

- 1.4 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renouneees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- 1.5 Details on the acceptance for provisional allotment of Rights Securities and (if applicable) application for excess Rights Securities are set out in paragraphs 2 to 4 of this Appendix II.

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank or Accepted Electronic Service

Instructions for Electronic Applications through ATMs to accept the Rights Securities provisionally allotted or (if applicable) to apply for excess Rights Securities will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix IV of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR THROUGH AN ACCEPTED ELECTRONIC SERVICE, HE WOULD HAVE IRREVOCABLY AUTHORISED THE RELEVANT BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SECURITIES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SECURITIES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR AN ACCEPTED ELECTRONIC SERVICE, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

2.2 Acceptance/Application through Form Submitted to CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Securities and (if applicable) apply for excess Rights Securities through form submitted to CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Securities provisionally allotted to him which he wishes to accept and the number of excess Rights Securities applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/ Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Securities accepted and (if applicable) excess Rights Securities applied for:
 - (i) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **SINOSTAR PEC HOLDINGS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.30 P.M. ON 28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Securities accepted and (if applicable) excess Rights Securities applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — SINOSTAR PEC RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR: (A) DIFFERENT SECURITIES ACCOUNTS WILL BE ACCEPTED. NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

2.3 Acceptance through the SGX-SFG Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Rights Securities and (if applicable) apply for Excess Rights Securities through the SGX-SFG service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and the Offer Information Statement as if the ARE had been completed, signed and submitted to CDP.

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Securities accepted by the Entitled Depositor and (if applicable) the excess Rights Securities applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 8.2 of this Appendix II which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Securities in relation to the Rights Issue. With respect to applications made via an Accepted Electronic Service, remittances may be rejected and refunded at CDP's discretion if they do not match the quantity of Rights Securities accepted by the Entitled Depositor indicated through such Accepted Electronic Service.

APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

2.5 Acceptance of Part of Provisional Allotments of Rights Securities and Trading of Provisional Allotments of Rights Securities

An Entitled Depositor may choose to accept his provisional allotment of Rights Securities specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Securities and trade the balance of his provisional allotment of Rights Securities on the SGX-ST, he should:

- (a) Complete and sign the ARE for the number of Rights Securities provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) Accept and subscribe for that part of his provisional allotment of Rights Securities by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Securities may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Securities on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Securities will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Securities, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Securities as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

2.6 Sale of Provisional Allotments of Rights Securities

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Securities (“**Purchasers**”) as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS’ OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Securities may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.30 p.m. on 28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Purchasers should also note that if they make any purchase on or around the last trading day of the “nil-paid” Rights, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Rights Securities. You may obtain a copy from The Central Depository (Pte) Limited. Alternatively, you may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Securities credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SECURITIES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SECURITIES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SECURITIES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SECURITIES ON THEIR BEHALF.

2.7 Renunciation of Provisional Allotments of Rights Securities

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Securities in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Securities which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least 3 Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Securities. The last time and date for acceptance of the provisional allotments of Rights Securities and payment for the Rights Securities by the renounee is **5.30 p.m. on 28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Securities by way of the ARE and/or the ARS and/or has applied for excess Rights Securities by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Securities provisionally allotted to him and/or application for excess Rights Securities (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.14)

As an illustration, if an Entitled Depositor has 20,000 Shares standing to the credit of his Securities Account as at the Record Date, the Entitled Depositor will be provisionally allotted 10,000 Rights Securities as set out in his ARE. The Entitled Depositor’s alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives	Procedures to be taken
(a) Accept his entire provisional allotment of 10,000 Rights Securities and (if applicable) apply for excess Rights Securities.	(1) Accept his entire provisional allotment of 10,000 Rights Securities and (if applicable) apply for excess Rights Securities by way of an Electronic Application through an ATM of a Participating Bank not later than 9.30 p.m. on 28 FEBRUARY 2025 or an Accepted Electronic Service as described herein not later than 5.30 p.m. on 28 FEBRUARY 2025 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

**APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND
EXCESS APPLICATION BY ENTITLED DEPOSITORS**

Alternatives

Procedures to be taken

- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 10,000 Rights Securities and (if applicable) the number of excess Rights Securities applied for and forward the original signed ARE together with a single remittance for S\$1,400.00 (or, if applicable, such higher amount in respect of the total number of Rights Securities accepted and excess Rights Securities applied for) by way of a Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore, and made payable to "**CDP — SINOSTAR PEC RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by post, at his own risk, in the self-addressed envelope provided to **SINOSTAR PEC HOLDINGS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.30 p.m. on 28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.
- NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- (b) Accept a portion of his provisional allotment of Rights Securities, for example 1,000 provisionally allotted Rights Securities, not apply for excess Rights Securities and trade the balance on the SGX-ST.
- (1) Accept his provisional allotment of 1,000 Rights Securities by way of an Electronic Application through an ATM of a Participating Bank not later than 9.30 p.m. on **28 FEBRUARY 2025**; or an Accepted Electronic Service as described herein not later than 5.30 p.m. on **28 FEBRUARY 2025**; or
- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 1,000 Rights Securities, and forward the original signed ARE, together with a single remittance for S\$140.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than 5.30 p.m. on **28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Alternatives

Procedures to be taken

- The balance of the provisional allotment of 9,000 Rights Securities which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Securities would be tradable in the ready market, each board lot comprising provisional allotments size of 100 Rights Securities or any other board lot size which the SGX-ST may require.
- (c) Accept a portion of his provisional allotment of Rights Securities, for example 1,000 provisionally allotted Rights Securities, and reject the balance.
- (1) Accept his provisional allotment of 1,000 Rights Securities by way of an Electronic Application through an ATM of a Participating Bank not later than 9.30 p.m. on **28 FEBRUARY 2025**; or an Accepted Electronic Service as described herein not later than 9.30 p.m. on **28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company);or
- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 1,000 Rights Securities and forward the original signed ARE, together with a single remittance for S\$140.00, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.30 p.m. on 28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- The balance of the provisional allotment of 9,000 Rights Securities which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 28 FEBRUARY 2025** or if an acceptance is not made through CDP via ARE or an Accepted Electronic Service by **5.30 p.m. on 28 FEBRUARY 2025**.

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SECURITIES IN RELATION TO THE RIGHTS ISSUE IS:

- (A) 9.30 P.M. ON 28 FEBRUARY 2025 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SECURITIES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK.**

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- (B) 5.30 P.M. ON 28 FEBRUARY 2025 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SECURITIES IS MADE THROUGH CDP VIA ARE/ARS, OR THROUGH AN ACCEPTED ELECTRONIC SERVICE OR SGX-SFG SERVICE; AND**

If acceptance and payment for the Rights Securities in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP via ARE/ARS form or an Accepted Electronic Service by **5.30 p.m. on 28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Securities shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All moneys received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, **BY CREDITING HIS/ THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank or) or electronic service delivery networks (such as SGX Investor Portal) ("**Accepted Electronic Service**") or **BY CREDITING DIRECTLY INTO HIS/THEIR DESIGNATED BANK ACCOUNT FOR SINGAPORE DOLLARS VIA CDP'S DIRECT CREDITING SERVICE**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK**; in the event he/they are not subscribed to CDP's Direct Crediting Service, any monies to be paid shall be credited to his/their Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein), as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP). CDP will process such refunds within such timeline as shall be indicated by CDP from time to time, taking into account the processing time required by the relevant bank or service delivery network for the relevant payment method.

IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix II, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Securities and/or applying for excess Rights Securities, he acknowledges that, in the case where the amount of remittance payable to the Company in respect of his acceptance of the Rights Securities provisionally allotted to him and (if applicable) in respect of his application for excess Rights Securities as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Securities in relation to the Rights Issue differs from the amount actually received by CDP, the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Securities in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Securities provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for excess Rights Securities. The determination and appropriation by the Company and CDP shall be conclusive and binding;

APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Securities in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Securities and (if applicable) his application for excess Rights Securities, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Securities in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Securities provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for excess Rights Securities by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for excess Rights Securities (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

5.3 Availability of Excess Rights Securities

The excess Rights Securities available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for excess Rights Securities will, at the Directors' absolute discretion, be satisfied from such Rights Securities as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Securities together with the aggregated fractional entitlements to the Rights Securities, any unsold "nil-paid" provisional allotment of Rights Securities (if any) of Foreign Shareholders and any Rights Securities that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more excess Rights Securities than are available, the excess Rights Securities available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of excess Rights Securities, preference will be given to the rounding of odd lots, and Substantial Shareholders and Directors will rank last in priority. The Company reserves the right to refuse any application for excess Rights Securities, in whole or in part, without assigning any reason whatsoever. In the event that the number of excess Rights Securities allotted to an Entitled Depositor is less than the number of excess Rights Securities applied for, the Entitled Depositor shall be deemed to have accepted the number of excess Rights Securities actually allotted to him.

If no excess Rights Securities are allotted or if the number of excess Rights Securities allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled, without interest or any share of revenue or other benefit arising therefrom, within 3 business days after the commencement of trading of the Rights Securities, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for excess Rights Securities by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or **BY CREDITING DIRECTLY INTO HIS/THEIR DESIGNATED BANK ACCOUNT FOR SINGAPORE DOLLARS VIA CDP'S DIRECT CREDITING SERVICE**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK**; in the event he/they are not subscribed to CDP's Direct Crediting Service, any monies to be paid shall be credited to his/their Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein), as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other

APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

benefit arising therefrom (if he/they accept and (if applicable) apply through CDP or if they had applied for excess Rights Securities through CDP). CDP will process such refunds within such timeline as shall be indicated by CDP from time to time, taking into account the processing time required by the relevant bank or service delivery network for the relevant payment method.

5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Securities is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Securities is effected by **9.30 p.m. on 28 FEBRUARY 2025** or an Accepted Electronic Service and payment of the full amount payable for such Rights Securities is effected by **5.30 p.m. on 28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Securities accepted and (if applicable) excess Rights Securities applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — SINOSTAR PEC RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **SINOSTAR PEC HOLDINGS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**; or an Accepted Electronic Service by **5.30 p.m. on 28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (c) acceptance is made by a Depository Agent via the SGX-SFG Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) for the Rights Securities is effected by **5.30 p.m. on 28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Securities will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All moneys received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY CREDITING DIRECTLY INTO HIS/THEIR DESIGNATED BANK ACCOUNT FOR SINGAPORE DOLLARS VIA CDP'S DIRECT CREDITING SERVICE**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK**; in the event he/they are not subscribed to CDP's Direct Crediting Service, any monies to be paid shall be credited to his/their Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein), as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP). CDP will process such refunds within such timeline as shall be indicated by CDP from time to time, taking into account the processing time required by the relevant bank or service delivery network for the relevant payment method.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

5.5 Certificates

The certificates for the Rights Securities and Excess Rights Securities will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Securities and Excess Rights Securities, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Securities and Excess Rights Securities credited to your Securities Account.

5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Securities provisionally allotted and credited to your Securities Account. You can verify the number of Rights Securities provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access. Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Securities provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed in its originality. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SECURITIES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SECURITIES IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises.

All communications, notices, documents and remittances to be delivered or sent to you may be sent by **ORDINARY POST** or **EMAIL** to your mailing or email address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

6. PROCEDURE TO COMPLETE THE ARE/ARS

6.1 Know your own holdings and entitlement

A. KNOW YOUR HOLDINGS & ENTITLEMENT

Number of Shares currently held by you

XX.XXX

This is your shareholdings as at Record Date.

Number of Rights Securities provisionally allotted

Shares as at **11 February 2025** (Record Date)

This is the date to determine your rights entitlements.

XX.XXX

This is your number of rights entitlement.

Issue Price

S\$0.14 per Rights Securities

This is price that you need to pay when you subscribe for one rights security.

6.2 Select your application options

B. SELECT YOUR APPLICATION OPTIONS

1. Online via SGX Investor Portal

Access event via Corporate Actions Form Submission on investors.sgx.com or log in to your Portfolio on investors.sgx.com to submit your application via electronic application form. Make payment using [PayNow](#) by **5.30 p.m. on 28 February 2025**. You do not need to return this form.

This is the last date and time to subscribe for the rights security through ATM and CDP.

2. ATM

Follow the procedures set out on the ATM screen of a Participating Bank. Submit your application by **9.30 p.m. on 28 February 2025**. Participating Bank is **UOB**.

You can apply your rights securities through ATMs of these participating banks.

3. Form

Complete section C below and submit this form by **5.30 p.m. on 28 February 2025**, together with BANKER'S DRAFT/CASHIER'S ORDER payable to "**CDP- SINOSTAR PEC RIGHTS ISSUE ACCOUNT**". Write your name and securities account number on the back of the Banker's Draft/Cashier's Order

This is the payee name to be issued on your Cashier's Order where XXXXX is the name of the issuer.

Note:

Please refer to the ARE/ARS for the actual holdings, entitlements, Record Date, Issue Price, Closing Date for subscription, list of participating ATM banks and payee name on the Cashier's Order.

APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

6.3 Application via PayNow

User Guide to apply and pay for Rights via SGX Investor Portal

Before you proceed to apply for rights via Investor Portal, please ensure that you have the following:

1. Singpass (Singaporeans/PRs/Work Pass Holders) or CDP Internet User ID (Foreigners/Corporates)
2. Daily limit to meet your transfer request (up to S\$200,000 per transaction for PayNow, capped at a daily fund transfer limit set with your bank, whichever is lower)
3. Notification to alert you on the transfer, refund and submission status. Please turn on the setting in your bank account notifications and update your email address with CDP.

Note:

1. Please ensure that your applications and payments are received by CDP before 5.30pm (Singapore Time) on the event close date. Otherwise, CDP will reject the application.
2. Payment from rejected applications will be refunded to your originating bank account. Banks might impose fees to process refunds. The fees will be deducted from the refund amount. Please check with your bank on the charges and status of your refund.
3. CDP will determine the number of rights applied using total payment received on each day, ignoring resultant fractional cent payable if any.
4. Post allocation, CDP will refund any excess amount to your Direct Crediting Service (DCS) bank account.
5. A transaction fee of S\$2 (inclusive of GST) applies for PayNow. It is non-refundable once the instruction is submitted successfully, regardless of the amount of rights allotted.

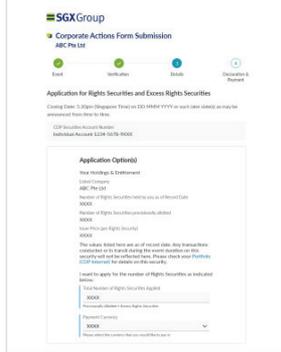
Step 1 Scan QR code using your mobile or visit Investor Portal at investors.sgx.com



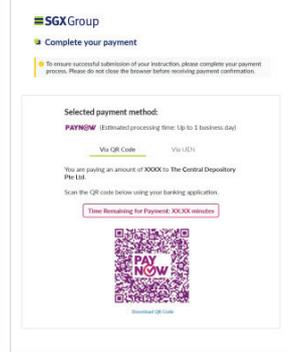
Step 2 Select the event or log in to your Portfolio



Step 3 Enter the number of rights and confirm payment amount



Step 4 Scan QR code using your bank mobile app and submit application along with payment



6.4 Application via Form

Declaration

C. DECLARATION

Please read the instructions overleaf and fill in the blanks below accordingly.

i. Total Number of Rights Shares Applied: (Provisionally Allotted + Excess Rights Shares)

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ii. Cashier's Order/Banker's Draft Details: (Input last 6 digits of CO/BD)

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Signature of Shareholder(s)

Date

Fill in the total number of the rights securities and excess rights securities (for ARE)/ number of rights securities (for ARS) that you wish to subscribe within the boxes.

Fill in the 6 digits of the CO / BD number (eg.001764) within the boxes.

Sign within the box.

Notes:

- If the total number rights securities applied exceeds the provisional allotted holdings in your CDP Securities Account as at Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.
- The total number of rights securities applied will be based on cash amount stated in your Cashier's Order/Banker's Draft. The total number of rights securities will be appropriated accordingly if the applied quantity exceeds this amount.
- Please note to submit one Cashier's Order per application form.

APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SHAREHOLDERS

1. INTRODUCTION

Acceptances of the provisional allotment of and any excess application for the Rights Shares must be made on the appropriate form(s) accompanying and forming part of this Offer Information Statement.

Entitled Scripholders are entitled to receive this Offer Information Statement together with the following documents which are enclosed herewith, and are deemed to constitute a part of, this Offer Information Statement:

Renounceable PAL incorporating:

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Application of Excess Rights Shares	Form E

The provisional allotments of the Rights Shares and application for Excess Rights Shares are governed by the terms and conditions of this Offer Information Statement and the enclosed PAL and (if applicable) the Constitution of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL. Entitled Scripholders may accept their provisional allotments of Rights Shares, in full or in part, and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split all or part of their provisional allotments are set out in this Offer Information Statement as well as the PAL.

With regard to any acceptance, application and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the ARE, the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue or with the terms and conditions of this Offer Information Statement, or in the case of any application by the PAL, the ARE and the ARS, and/or any other application form for the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company may, at its absolute discretion, reject or treat as invalid any such acceptance, application and present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.

The Company and the Share Registrar shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder or a renounee, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder or renounee. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application of Rights Shares and (if applicable) application for Excess Rights Shares.

The full amount payable for the relevant number of Rights Shares accepted/applied for will be rounded up to the nearest whole cent, if applicable. Entitled Scripholders who intend to trade any part of their provisional allotments of Rights Shares on the SGX-ST should note that all dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the SGX-ST.

APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SHAREHOLDERS

Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contracts made pursuant to this PAL and/or this Offer Information Statement has no right under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any term of such contracts. Notwithstanding any term contained therein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. FORM OF ACCEPTANCE (FORM A)

2.1 Acceptance

An Entitled Scripholder who wishes to accept his entire provisional allotment of Rights Shares or to accept any part of it and decline the balance should:

- (a) complete and sign the Form A of the PAL for the number of Rights Shares which he wishes to accept; and
- (b) forward the PAL at his own risk, in its entirety, duly completed and signed, together with payment in the prescribed manner to **SINOSTAR PEC HOLDINGS LIMITED C/O IN.CORP CORPORATE SERVICES PTE. LTD., 36 ROBINSON ROAD, #20-01, CITY HOUSE, SINGAPORE 068877** so as to arrive not later than **5.30 p.m.** on **28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

2.2 Insufficient payment

If:

- (a) no remittance is attached for the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder and (if applicable) the Excess Rights Shares applied for by the Entitled Scripholder; or
- (b) the remittance submitted together with the PAL, is less than the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder and (if applicable) the Excess Rights Shares applied for by the Entitled Scripholder.

in each case, the attention of the Entitled Scripholder is drawn to paragraph 2.3 of this Appendix III entitled "Appropriation" which sets out the circumstances and manner in which the Company and the Share Registrar shall be authorised and entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.

2.3 Appropriation

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore to be applied towards the payment of his acceptance of Rights Shares.

APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SHAREHOLDERS

3. REQUEST FOR SPLITTING (FORM B), RENUNCIATION (FORM C) AND FORM OF NOMINATION (FORM D)

Entitled Scripholders who wish to accept a portion of their provisional allotment of Rights Shares and renounce the balance of their provisional allotment of Rights Shares, or who wish to renounce all or part of their provisional allotments in favour of more than one (1) person, should first, using Form B, request to have their provisional allotments under the PAL split into separate PALs (“**Split Letters**”) according to their requirements.

The duly completed Form B together with the PAL, in its entirety, should be returned to **SINOSTAR PEC HOLDINGS LIMITED C/O IN.CORP CORPORATE SERVICES PTE. LTD., 36 ROBINSON ROAD, #20-01, CITY HOUSE, SINGAPORE 068877** so as to arrive not later than **5.30 p.m.** on **24 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B is received after **5.30 p.m.** on **24 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Split Letters, representing the number of Rights Shares which Entitled Scripholders intend to renounce, may be renounced by completing and signing Form C before delivery to the renounee(s). Entitled Scripholders should complete and sign Form A of the Split Letter(s) representing that part of their provisional allotments they intend to accept, if any, and forward the said Split Letter(s) together with payment in the prescribed manner to **SINOSTAR PEC HOLDINGS LIMITED C/O IN.CORP CORPORATE SERVICES PTE. LTD., 36 ROBINSON ROAD, #20-01, CITY HOUSE, SINGAPORE 068877** so as to arrive not later than **5.30 p.m.** on **28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Scripholders who wish to renounce their entire provisional allotment of Rights Shares in favour of one (1) person, or renounce any part of it in favour of one (1) person and decline the balance, should complete Form C for the number of provisional allotment of Rights Shares which they wish to renounce and deliver the PAL in its entirety to the renounee(s).

The renounee(s) should complete and sign Form D and send Form D together with the PAL in its entirety, duly completed and signed, together with payment in the prescribed manner, to reach **SINOSTAR PEC HOLDINGS LIMITED C/O IN.CORP CORPORATE SERVICES PTE. LTD., 36 ROBINSON ROAD, #20-01, CITY HOUSE, SINGAPORE 068877** so as to arrive not later than **5.30 p.m.** on **28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing Form A and the Consolidated Listing Form in Form D of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in Form D of only one PAL or Split Letter (“**Principal PAL**”) by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them. **ALL THE RENOUNCED PALS AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A OR FORM D (AS THE CASE MAY BE).**

APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SHAREHOLDERS

4. PAYMENT

Payment for the full amount due on acceptance and/or application in relation to the PALs must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**SINOSTAR PEC HOLDINGS LIMITED RIGHTS ISSUE ACCOUNT**" and crossed "**NON NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or accepting party clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. The completed and signed PAL and remittance should be addressed to and forwarded at the sender's own risk to **SINOSTAR PEC HOLDINGS LIMITED C/O IN.CORP CORPORATE SERVICES PTE. LTD., 36 ROBINSON ROAD, #20-01, CITY HOUSE, SINGAPORE 068877** by **5.30 p.m. on 28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

If acceptance and (if applicable) excess application and payment in the prescribed manner as set out in this Offer Information Statement and the PAL is not received by **5.30 p.m. on 28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotment of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance and such provisional allotment of Rights Shares not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company subject to applicable laws and the SGX-ST Rules. The Company will return or refund all unsuccessful application monies received in connection therewith **BY ORDINARY POST** and at the risk of the Entitled Scripholders or their renounee(s), as the case may be, without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date.

5. APPLICATION FOR EXCESS RIGHTS SHARES (FORM E)

Form E contains full instructions with regard to Excess Rights Shares application, and payment and the procedures to be followed if you wish to apply for Rights Shares in excess of your provisional allotment of Rights Shares. Entitled Scripholders who wish to apply for Excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing, signing the Form E of the PAL and forwarding it with a **SEPARATE SINGLE REMITTANCE** for the full amount payable in respect of the Excess Rights Shares applied for in the form and manner set out above to **SINOSTAR PEC HOLDINGS LIMITED C/O IN.CORP CORPORATE SERVICES PTE. LTD., 36 ROBINSON ROAD, #20-01, CITY HOUSE, SINGAPORE 068877** by **5.30 p.m. on 28 FEBRUARY 2025** so as to arrive not later than **5.30 p.m. on 28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

Applications for Excess Rights Shares are subject to the terms and conditions contained in the PAL, Form E and this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Scripholders, the original allottee(s) or their respective renounee(s), or the Purchaser(s) of the provisional allotment of Rights Shares, the unsold "**nil-paid**" provisional allotments (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in this Offer Information Statement, the PAL, Form E and (if applicable) the Constitution of the Company.

APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SHAREHOLDERS

In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots. Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company reserves the right to allot the Excess Rights Shares applied for under Form E in any manner as the Directors may deem fit and to reject or refuse, in whole or in part, any application for Excess Rights Shares without assigning any reason. CDP takes no responsibility for any decision that the Directors may make.

In the event that the number of the Excess Rights Shares allotted to Entitled Scripholders is less than the number of Excess Rights Shares applied for, Entitled Scripholders shall be deemed to have accepted the number of Excess Rights Shares actually allotted to them. If no Excess Rights Shares are allotted to Entitled Scripholders or if the number of Excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application or the surplus of the application monies for Excess Rights Shares received by the Company, as the case may be, will be returned or refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date by means of a crossed cheque drawn on a bank in Singapore and sent, **BY ORDINARY POST** to their mailing addresses as maintained with the Share Registrar at their **OWN RISK**.

6. GENERAL

No acknowledgements or receipts will be issued in respect of any acceptances, remittances, applications or payments received.

Entitled Scripholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

Upon listing and quotation on the SGX-ST, the Rights Shares, when issued will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP" and the "**Terms and Conditions for CDP to act as Depository for the Rights Shares**", as the same may be amended from time to time. Copies of the above are available from CDP.

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical share certificates in their own names for the Rights Shares

APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SHAREHOLDERS

allotted to them and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title. These physical share certificates will be sent **BY ORDINARY POST** to person(s) entitled thereto to their mailing addresses as recorded with CDP at his/their **OWN RISK**.

If the Entitled Scripholders' addresses stated in the PALs are different from their addresses registered with CDP, they must inform CDP of their updated addresses promptly, failing which the notification letters on successful allotments and other correspondences will be sent to their addresses last registered with CDP.

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on the SGX-ST, must deposit with CDP his existing share certificate(s), together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

7. PERSONAL DATA PRIVACY

By completing and delivering the PAL, an Entitled Scripholder or a renounee (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons (as defined in Appendix II) for the Purposes (as defined in Appendix II); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF THE PARTICIPATING BANK

An Electronic Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance or (as the case may be) application liable to be rejected.

The Electronic Application shall be made in accordance with, and subject to, the terms and conditions of this Offer Information Statement, including but not limited to the terms and conditions appearing below.

- (1) In connection with his Electronic Application for the Rights Shares, the Electronic Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and
 - (b) that he consents to the disclosure of his name, NRIC/passport number, address, nationality, Securities Account number and application details (“**Relevant Particulars**”) from his account with that Participating Bank to the Share Registrar, CDP, Securities Clearing and Company Services (Pte) Limited, the SGX-ST, the Company and any other relevant parties (“**Relevant Parties**”) as CDP may deem fit for the purpose of the Rights Issue and his acceptance and/or (if applicable) excess application.

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “Enter” or “OK” or “Confirm” or “Yes” key, as the case may be. By doing so, the Electronic Applicant shall be treated as signifying his confirmation of each of the two (2) statements above. In respect of statement 1(b) above, his confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, as the case may be, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act 1970 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Electronic Applicant may make an Electronic Application through an ATM of the Participating Bank for the Rights Shares using cash only by authorising the Participating Bank to deduct the full amount payable from his account with such Participating Bank.
- (3) The Electronic Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of the Rights Shares provisionally allotted and Excess Rights Shares applied for as stated on the transaction record (or the number of Rights Shares represented by the provisional allotment of the Rights Shares as may be standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of such Excess Rights Shares or not to allot any number of Excess Rights Shares to the Electronic Applicant, the Electronic Applicant agrees to accept the decision as conclusive and binding.
- (4) If the Electronic Applicant’s Electronic Application is successful, his confirmation (by his action of pressing the “Enter” or “OK” or “Confirm” or “Yes” key, as the case may be, on the ATM screen) of the number of Rights Shares accepted and/or Excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or Excess Rights Shares applied that may be allotted to him.

APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF THE PARTICIPATING BANK

- (5) In the event that the Electronic Applicant accepts the Rights Shares and (if applicable) instructions to apply for Excess Rights Shares together with payment therefor both by way of the ARE and/or ARS (as the case may be), whether directly to CDP and/or by way of acceptance through Electronic Application through an ATM of the Participating Bank or an Accepted Electronic Service, the Company and/or CDP shall be authorised and entitled to accept the Electronic Applicant's instructions in whichever mode or combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Rights Shares which the Electronic Applicant has validly given instructions to accept, the Electronic Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the aggregate number of provisionally allotted Rights Shares which have been accepted by the Electronic Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM of the Participating Bank or an Accepted Electronic Service, and the number of Rights Shares represented by the provisional allotment of the Rights Shares standing to the credit of the "Free Balance" of his Securities Account which is available for acceptance and payment as at the Closing Date. The Company and/or CDP, in determining the number of Rights Shares for which the Electronic Applicant has given valid instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of the Rights Shares, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE and/or the ARS or by way of acceptance by Electronic Application through an ATM of the Participating Bank or an Accepted Electronic Service, which the Electronic Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his acceptance.
- (6) If applicable, in the event that the Electronic Applicant applies for Excess Rights Shares both by way of ARE and by way of an application through Electronic Application through an ATM of the Participating Bank or an Accepted Electronic Service, the Company and/or CDP shall be authorised and entitled to accept the Electronic Applicant's instructions in whichever mode or a combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Excess Rights Shares which the Electronic Applicant has validly given instructions to apply for, the Electronic Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Shares not exceeding the aggregate number of Excess Rights Shares for which he has applied by way of the ARE, whether directly to CDP and/or by Electronic Application through an ATM of the Participating Bank or an Accepted Electronic Service. The Company and/or CDP, in determining the number of Excess Rights Shares which the Electronic Applicant has given valid instructions to apply for, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application for the Excess Rights Shares, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE or by way of application by Electronic Application through an ATM of the Participating Bank or an Accepted Electronic Service, which the Electronic Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his application.
- (7) The Electronic Applicant irrevocably requests and authorises the Company to:
- (a) register or procure the registration of the Rights Shares and (if applicable) the Excess Rights Shares allotted to the Electronic Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares not be accepted and/or Excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Electronic Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date; and
 - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for Excess Rights Shares be accepted in part only, by automatically crediting the Electronic Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date.

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- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE ELECTRONIC APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**
- (9) The Electronic Applicant irrevocably agrees and acknowledges that the submission of his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses, theft (in each case whether or not within the control of the Company, CDP, the Share Registrar and/or the Participating Bank) and any other events whatsoever beyond the control of the Company, CDP, the Share Registrar and/or the Participating Bank and if, in any such event, the Company, CDP, the Share Registrar and/or the Participating Bank do not record or receive the Electronic Applicant's Electronic Application by **9.30 p.m. on 28 FEBRUARY 2025**, or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Electronic Applicant shall be deemed not to have made an Electronic Application and the Electronic Applicant shall have no claim whatsoever against the Company, CDP, the Share Registrar and/or the Participating Bank in respect of any purported acceptance thereof and (if applicable) excess applications therefor, or for any compensation, loss or damages in connection therewith or in relation thereto.
- (10) **ELECTRONIC APPLICATIONS MAY ONLY BE MADE THROUGH AN ATM OF THE PARTICIPATING BANK FROM MONDAY TO SATURDAYS (EXCLUDING PUBLIC HOLIDAYS) BETWEEN 7.00 A.M. TO 9.30 P.M..**
- (11) Electronic Applications shall close at **9.30 p.m. on 28 FEBRUARY 2025** or such other time as the Directors may, in their absolute discretion, decide (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- (12) All particulars of the Electronic Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Electronic Applicant after the time of the making of his Electronic Application, the Electronic Applicant shall promptly notify his Participating Bank.
- (13) The Electronic Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made through the ATMs of the Participating Bank that does not strictly conform to the instructions set out on the ATM screens of the Participating Bank will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in S\$ (without interest or any share of revenue or other benefit arising there from) to the Electronic Applicant by being automatically credited to the Electronic Applicant's account with the Participating Bank within 14 days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
- (15) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Bank and agreeing to close the Rights Issue at **9.30 p.m. on 28 FEBRUARY 2025** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), and by making and completing an Electronic Application, the Electronic Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary or replacement document referred to in Section 241 of the Securities and Futures Act is lodged with the Authority);

APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF THE PARTICIPATING BANK

- (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
 - (c) none of the Company, CDP, the Share Registrar, or the Participating Bank shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company, CDP or the Participating Bank due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
 - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares or and (if applicable) application for Excess Rights Shares;
 - (e) in respect of the Rights Shares and/or Excess Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Electronic Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application with respect to enforcement against the Electronic Applicant, a person who is not a party to any contract made pursuant to this Offer Information Statement and/or the Electronic Application has no right under the Contracts (Rights of Third Parties) Act 2001 of Singapore) to enforce any term of such contracts. Notwithstanding any term contained therein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of liability) or terminate such contracts. Where the third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Electronic Applicant should ensure that his personal particulars as recorded by both CDP and the Participating Bank are correct and identical. Otherwise, his Electronic Application may be liable to be rejected. The Electronic Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and/or other correspondence will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
- (18) In the event that the Electronic Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for Excess Rights Shares, as the case may be, by way of ARE or ARS and/or by way of Electronic Application through the ATMs of the Participating Bank, the provisionally allotted Rights Shares and/or Excess Rights Shares will be allotted in such manner as the Company and/or CDP may, in their absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be returned or refunded without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date by any one (1) or a combination of the following:
- (a) by means of a crossed cheque drawn on a bank in Singapore and sent **BY ORDINARY POST** at his **OWN RISK** to his mailing address as recorded with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and/or

**APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR
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- (b) by crediting the Electronic Applicant's bank account with the Participating Bank at his **OWN RISK** if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder.
- (19) The Electronic Applicant acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, the Company and CDP are entitled and the Electronic Applicant authorises the Company and CDP to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares that the Electronic Applicant has validly accepted, whether under the ARE and/or ARS or any other form of application (including Electronic Application through an ATM) for the Rights Shares;
 - (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the "Free Balance" of the Electronic Applicant's Securities Account which is available for acceptance; and
 - (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Electronic Applicant. The Electronic Applicant acknowledges that the Company's and CDP's determination shall be conclusive and binding on him.
- (20) The Electronic Applicant irrevocably requests and authorises the Company and/or CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Electronic Applicant and (if applicable) the Excess Rights Shares which the Electronic Applicant has applied for.
- (21) With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the ARE, the ARS, (if applicable) the Constitution of the Company and/or other application form for the Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of an application by the PAL, the ARE, the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, or where the "Free Balance" of the Electronic Applicant's Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares subscribed as at the Closing Date, the Company and/or CDP may, at their absolute discretion, reject or treat as invalid any such application or present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.
- (22) The Company and/or CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Information Statement in its proper form and context.

DIRECTORS OF SINOSTAR PEC HOLDINGS LIMITED

LI XIANGPING

Executive Chairman and Chief Executive Officer

YAN TAILING

Executive Director and Deputy Chief Executive Officer

LI ZHI

Non-Executive Director

CHEN SEOW PHUN, JOHN

Lead Independent Non-Executive Director

JIANG XINGLU

Independent Non-Executive Director

LIU XIAOYAN

Independent Non-Executive Director

Dated this 13th day of February 2025